


156-20-201

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 20 1974	



Kahn Property Official Named

By HOMER CLANCE
Financial Writer, The San Diego Union

Don Rochambeau, 41, a title insurance company official, has been named to administer the properties of real estate developer Irvin J. Kahn, who died Sept. 10, 1973.

Rochambeau said he was approached by the trustees of the Central States, Southeast and Southwest Areas of the Teamsters Union Pension Fund to take the post.

A native of Kansas City, Rochambeau has served almost six years as vice president-manager of the San Diego-Imperial office of Title Insurance & Trust Co.

Since TI handled Kahn's title insurance business, said

Rochambeau, he learned quite a bit about Kahn and his Penasquitos development during the past five years.

He said he will assume his new post, under a contract longer than 10 years, on June 21.

The Teamsters Union pension fund filed claims totaling \$180.3 million against Kahn's estate. A petition filed in the case, which sought two avenues to help clear up the claims, was approved in probate court.

ACQUIRES SHARES

The Teamsters Union fund, under the agreement, will acquire 75 per cent of the shares of Kahn's Penasquitos Corp. stock. The estate will also tender a \$520,000 promissory note to the pension fund.

This will be backed by shares of Great Western Mortgage Co., another Kahn firm. In return, at the closing of the estate, the pension fund will return all shares of Great Western along with 200 shares of nonvoting Penasquitos stock.

Also called for is the dissolution of Kahn's business relationship with Morris A. Shenker, a St. Louis attorney who is listed on a number of financial obligations as a co-guarantor.

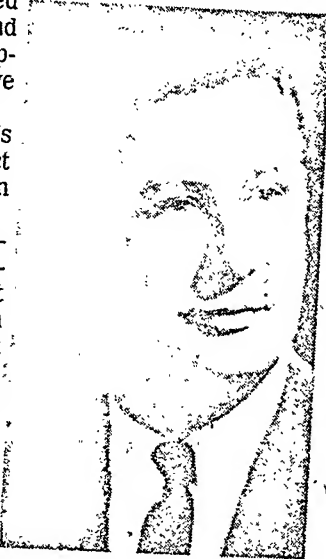
At the time of Kahn's death, he and Shenker each owned 50 per cent of all outstanding shares in these corporate entities:

B.A.I., Inc., Murrieta Hot Springs, Inc., Shelter Island Hotel Corp., and IJK Nevada, Inc. Shenker was to give the estate \$25,000 in cash and release the estate from obligations of these companies.

ACREAGE LISTED

Rochambeau said the pension fund ended up with about 16,000 acres, most of it in the Penasquitos Ranch area, University City, South Bay area, Clairemont Shopping Center. Some acreage is also owned by the fund in San Juan Capistrano (800 acres) and Oakland, he said.

Nothing has been done since Kahn's death pending the outcome of the pension fund's claims, Rochambeau said.



DON ROCHAMBEAU
... named by trustees

This left 400 to 500 houses, most completed, as well as finished lots on which no other work has started, he added.

ROLE DISCUSSED

Rochambeau, who attended college in Missouri and served in the Marine Corps during the Korean War, said "my role will be to study and determine what to do with them. 'If I have to hire a developer, I will hire a developer.'"

Rochambeau, who has had experience in financial institutions as well as with TI, said he joined TI 16 years ago in Orange County.

He said he went to Chicago for interviews for the pension fund post, and that the contract was finalized last week. Rochambeau said he will be headquartered in the Charter Oil Building for the time being.

RANKED AS 21ST

Kahn, shortly before his death at the age of 57, was listed in the trade journal Professional Builder as the 21st in what the magazine called 419 "giants" of the development industry.

He was reported working on 35 projects in six areas at the time of his death.

Los Penasquitos, which Kahn started in 1962, was considered his biggest project. The county's first Spanish land grant, the 14,000

(Continued on C-12, Col. 1)

Rochambeau To Manage Kahn Lands

(Continued from Page C-7)

acres stretched from San Diego to Poway.

Teamsters pension fund claims show Kahn initially borrowed \$1.2 million for Penasquitos, Inc., and \$2.3 million for Sheiter Island Corp. in August, 1966.

A continuing guarantee signed by Kahn on Oct. 1, 1971, showed Kahn at that time personally guaranteed loans up to \$150 million to 21 companies in which he was a principal.

A subsequent continuing guarantee signed by Kahn and Shenker only two months before Kahn's death agreed to guarantee another \$37.5 million.

Principal beneficiaries of the Kahn estate are his widow, Eleanor, a son, Samuel, and a daughter, Barbara Kahn Shapiro.

MEMORANDUM

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TO: [REDACTED]

FROM: [REDACTED]

b6
b7C

DATE: June 14, 1974

RE: Subpoena Duces Tecum, dated March 19, 1974
Follow-up to Memo dated May 10, 1974

In my memo to you on May 10, 1974 regarding the Subpoena to produce certain records and documentation, I set out, among other things, a time schedule for completing certain tasks. Following is a report on our progress:

	ESTIMATED COMPLETION DATE	COMPLETED
1) [REDACTED]	5/10/74	5/17/74
2) [REDACTED]	5/17/74	5/24/74
3) Comply with your request regarding the above referenced Subpoena	5/17/74	6/03/74

b3

Note that the completion dates are approximate.

The [REDACTED] extended beyond my projected completion date due to several factors including [REDACTED]

In connection with the Subpoena as it relates to [REDACTED] and its subsidiaries, the accounting staff has performed the following procedures:

1) [REDACTED]

2) [REDACTED]

156-80-203
SEARCHED [X] INDEXED [X]
SERIALIZED [X]
JUN 20 1974

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3) [redacted]

b3

4) [redacted]

In addition, I have reviewed the [redacted]

[redacted]

Note that [redacted] and do not represent the actual [redacted] I have reviewed with our accounting staff the procedures followed as well as the results of these procedures and they have represented that to the best of their knowledge and belief they have extracted the information and documentation which their review disclosed. I have reviewed the [redacted]

[redacted]

Our review has disclosed no additional [redacted]

[redacted] It should be understood that we make no representation that we have extracted each and every item requested by the Subpoena, but have, based on the procedures followed and to the best of our knowledge, provided all items disclosed by such procedures.

[redacted]

b6
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UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS (156-20)

FROM : *[Signature]* SAC, SAN DIEGO (156-5) (P)

SUBJECT: MORRIS A. SHENKER aka;
IRVIN J. KAHN (DECEASED);
Pipefitters Local Union 562
Welfare and Pension Funds
St. Louis, Missouri
WPPDA; PERJURY; OOF
(OO:ST. LOUIS)

DATE: 6/17/74

[Redacted]

ITSP
(OO:ST. LOUIS)

Rerep of SA [Redacted] at St. Louis dated
5/17/74; St. Louis airtel to San Diego 6/6/74.

Enclosed for St. Louis are the following items:

Three FD-302s of interview of [Redacted] on
5/20/74.

Three FD-302s of interview of [Redacted] on
5/30/74.

Three FD-302s of interview of [Redacted] on
6/13/74.

④ St. Louis (Encls. 21) (AMSD)
(2-156-20)
(2-87-21177)
4-San Diego
(2-156-5)
(2-87-8209)

LAW/asc
(8)

156-20-204
SEARCHED INDEXED



SD 156-5

Three sets of memorandum furnished by [redacted] to SA [redacted] on 5/30/74.

Three copies of San Diego Union Newspaper article on 6/12/74.

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b7D

Three sets of toll records for telephones [redacted] (March and April billings) and [redacted] (March, April and May billings).

Three copies of memorandum of [redacted] to [redacted] dated 6/14/74.

The following are subscriber listings to San Diego area telephone numbers called from [redacted] private business telephone as well as his home telephone number:

Telephone Number

Subscriber and Address

b6
b7C

F B I

Date: JUNE 19, 1974

Transmit the following in PLAINTEXT
(Type in plaintext or code)Via TELETYPE NITEL
(Priority)

TO: DIRECTOR (156-557)
 SAC, SAN DIEGO (156-5) - 10⁵⁰/₈ JME
 FROM: SAC, ST. LOUIS (156-20) (P)

MORRIS A. SHENKER, AKA; ET AL. WPPDA; PERJURY; OOJ. OO: ST. LOUIS.

EXTENSIVE FGJ ACTION UNDERWAY AT ST. LOUIS RE INSTANT MATTER,
 INCLUDING OOJ AND [REDACTED]

ST. LOUIS STRIKE FORCE ATTORNEYS DESIRE TESTIMONY OF SA [REDACTED]
 [REDACTED] BEFORE FGJ, ST. LOUIS, ON JUNE 26, 1974 AT 1:30 P.M. SA [REDACTED]
 TO TESTIFY REGARDING [REDACTED]
 [REDACTED] AND DETAILS OF OTHER PERTINENT INVESTIGATION CONDUCTED BY
 HIM AT SAN DIEGO.

UACB, SA [REDACTED] SHOULD BE PRESENT IN ST. LOUIS ON JUNE 26, 1974
 FOR FGJ APPEARANCE.

END.

① - ST. LOUIS
 TRP:KMT
 (1) *pink*

SEARCHED
 SERIALIZED
 INDEXED
 FILED

106-20-205

Approved: Wes
 Special Agent in Charge

Sent Per above M Per

F B I

Date: 6/19/74

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: SAC, ST. LOUIS (156-20)

FROM: SAC, WFO (156-57) (RUC)

MORRIS A. SHENKER, aka;
ET AL
WPPDA; PERJURY; OOJ
(OO:SL)

ReSLairtel, 6/6/74.

On 6/16/74, [] advised that the subscriber to
telephone number 202-783-0670 is the International Brotherhood of
Teamsters, Chauffers Warehousemen Helper Union, 25 Louisiana Avenue,
N. W., Washington, D. C.

2 - St. Louis
1 - WFO

HHD:ctw
(3)156-24-286
SEARCHED INDEXED
SERIALIZED FILEDApproved: AK/ctw
Special Agent in Charge

Sent []

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b7Db6
b7C

F B I

Date: 6/21/74

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: SAC, ST. LOUIS (156-20)
FROM: SAC, PHOENIX (156-13) (RUC)

MORRIS A. SHENKER, aka;
IRVIN J. KAHN (DECEASED);
Pipefitters Union Local 562
Welfare and Pension Funds,
St. Louis, Missouri;
ET AL
WPPDA; PERJURY; OOJ

OO: SL
Bufile 156-557

ReSLairtel to Chicago, 6/6/74.

ADMINISTRATIVE

On 6/12/74, telephonic contact at telephone [redacted]
[redacted] disclosed that this number was currently
out of service or had been changed.

On 6/18/74, [redacted] advised service was estab-
lished under this number for one [redacted]
[redacted] Credit information
concerning [redacted] revealed his SSAN as [redacted]
[redacted] was
indicated by [redacted] He had previous resi-
dence and business telephone service [redacted]
[redacted]

Source advised this number was disconnected because
[redacted] abandoned service; and both [redacted] and [redacted] are
indebted to the telephone company as a result.

Phoenix indices contain no identifiable information
concerning [redacted] or [redacted]

- ② - St. Louis
1 - Phoenix

JAM:mkm

(3)

Approved: _____

Special Agent in Charge

Sent _____

U.S. Government

b6
b7Cb2
b7D
b6
b7Cb6
b7C156-20-207
INDEXED

F B I

Date: 6/18/74

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: SAC, ST. LOUIS (156-20)

FROM: SAC, LOS ANGELES (156-76) (RUC)

RE: MORRIS A. SHENKER, aka
Irvin J. Kahn (Deceased);
Pipe Fitters Union,
Local 562,
Welfare and Pension Funds,
St. Louis, Missouri;
[REDACTED]
WPPDA; PERJURY; OOO
OO: St. Louis

b6
b7C

Re St. Louis airtel, 6/6/74.

[REDACTED] on 6/14/74, provided the following subscribers to the telephone numbers which were requested to be checked by St. Louis in referenced communication:

b2
b7D

At Beverly Hills, California, 213-273-2220,
subscriber City National Bank, 400 North Roxbury Drive,
Beverly Hills.

At Orange, California, [REDACTED] subscriber

b6
b7C

At Riverside, California, [REDACTED] subscriber

At Santa Ana, California, subscribers as follows:
To 714-833-2180 is Ponderosa Homes, 2082 Business Center Drive,

- ② - St. Louis
1 - Los Angeles

FPB/law
(3)

156-20208

SEARCHED	INDEXED
SERIALIZED	FILED

Approved: _____

Special Agent in Charge

Sent _____ M Per _____

LA 156-76

Room 100, Irvine, California. To 714-547-3333 is Title Insurance Trust Company, 800 North Main, Santa Ana, California. To 714-835-2200 is Ruten and Tucker Attorneys, 401 Civic Center Drive West, Santa Ana, California.

[redacted] on 6/18/74, supplied the following information:

b2
b7D

At [redacted] telephone subscriber is [redacted]

At Santa Barbara, California, 805-965-0571, telephone subscriber is Title Insurance and Trust, 36 E Figueroa, Santa Barbara, California.

b6
b7C

157-W-209
SEARCHED INDEXED
SERIALIZED FILED



F B I

Date: 6/26/74

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL
(Priority)b6
b7C

TO: SAC, ST. LOUIS (156-20)
FROM: SAC, SAN FRANCISCO (156-43)(RUC)
SUBJECT: MORRIS A. SHENKER, aka;
IRVIN J. KAHN (DECEASED);
PIPEFITTERS UNION LOCAL 562
WELFARE AND PENSION FUNDS,
ST. LOUIS, MISSOURI;

[REDACTED]
WPPDA; PERJURY; OOJ
OO: SL
BUFILE: 156-557

Re St. Louis airtel to Chicago, dated 6/6/74,
with copy to San Francisco.

Review of City Directory for San Francisco
revealed the following information:

① 415-781-3500

Listed to
Title Insurance and Trust Company,
Central Western Division,
160 Pine Street,
San Francisco, California

[REDACTED] provided the following:

② 415-453-3885

Listed to
Hagemann & Company,
Management Consultants,
106 Fernwood Drive,
San Rafael, California

② - St. Louis 1 - San Francisco LLB/dew (3) C-2

Approved: CWB/jol
Special Agent in Charge

Sent _____ M Per _____

b2
b7D

7/8/74

AIRTEL

AIRMAIL

TO: DIRECTOR, FBI (156-557)
FROM: SAC, ST. LOUIS (156-20) (P)
MORRIS A. SHENKER, aka;
ET AL
WPPDA; OOJ; PERJURY
OO: SL

b3
b6
b7C

Re St. Louis report of SA [redacted] dated
5/17/74; St. Louis nitel to Bureau, dated 6/19/74.

On 6/26/74 [redacted] and
[redacted] appeared before
FGJ at St. Louis, Missouri re instant matter. Prior to FGJ
appearance, [redacted] interviewed extensively by St. Louis case
Agent. Upon completion of interview, [redacted] agreed to
cooperate with Federal authorities in this and other matters
currently under investigation. It is noted that [redacted] handled
[redacted]

During interview, [redacted] advised that as result of
KAHN's death and [redacted]

Just prior to [redacted] FGJ appearance,

2 - Bureau
② - St. Louis
TRF:ls1
(4)

156-20-210
SEARCHED
SERIALIZED
INDEXED
FILED

b6
b7C

SL 156-20

[REDACTED]

[REDACTED]

Excellent rapport has been developed between [REDACTED] and St. Louis case Agent, SA [REDACTED] and [REDACTED] has offered to [REDACTED] to SA [REDACTED] on extremely confidential basis. [REDACTED] advises that [REDACTED]

It should be noted that SA [REDACTED] has made two prior trips to San Diego regarding this case and, through those trips, has substantiated OOJ and possible Mail Fraud violations believed to have been instigated by SHENKER. Indictments re those violations currently being prepared by St. Louis Strike Force attorneys.

In addition to direct investigation of SHENKER's involvement in instant matter, St. Louis Division employing strategy of "chipping away" at KAHN-SHENKER associates in order to obtain cooperation of knowledgeable witnesses against SHENKER. This secondary strategy is apparently producing results and St. Louis desires to fully exploit same in order to eventually indict and convict SHENKER.

In view of [REDACTED] expressed cooperation, and his [REDACTED] Bureau permission requested for SA [REDACTED] to proceed to San Diego, August 6-9, 1974, to discreetly [REDACTED] If these [REDACTED]

If approved, [REDACTED] will be coordinated with San Diego Division. Appropriate precautions being taken to conceal [REDACTED] cooperation at this time.

SAC, ST. LOUIS (92-2088) P*

7-11-74

SA [REDACTED]

MORRIS A. SHENKER, aka

AR

OO: St. Louis.

On 7/8-9/74, the writer met with Investigators [REDACTED] and [REDACTED] of the Nevada Gaming Control Board. These investigators were in St. Louis conducting an investigation of captioned subject in relation to licensing for ownership of the Dunes Hotel, Las Vegas, Nevada.

During this conference, the writer discussed with these investigators the general facts of our current investigations regarding SHENKER; in particular, the WPPDA case (SL 156-20) and SHENKER's involvement in the [REDACTED] - Swiss Enterprises case (SL 87-21177).

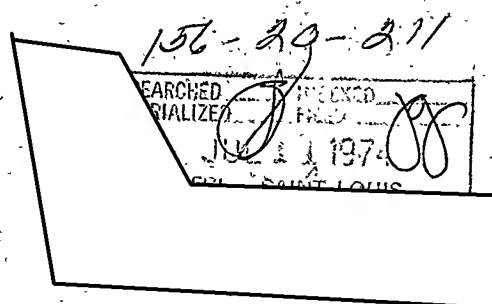
b6
b7C
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Upon conclusion of this conference, Investigator [REDACTED] made available to the writer on a confidential basis copies of the following documents:

- 7 - St. Louis
- 1 - 92-2088
- 1 - 156-20
- 1 - 87-21177
- 1 - 166-173
- 1 - 92-2325
- 1 - 92-828
- 1 - 92-656

TRP:ss

7



SL 92-2088

The copies of these documents are being submitted to the 1-A section of SL 92-2088 for future reference purposes.

F B I

Date: 7/18/74

PLAINTEXT

Transmit the following in _____
(Type in plaintext or code)Via TELETYPE NITEL
(Priority)TO: DIRECTOR (156-557) *ftc*

FROM: ST. LOUIS (156-20)

MORRIS A. SHENKER, AKA; ET AL; WPPDA, OOJ, PERJURY. OO:SL.

RE SL AIRTEL TO BUREAU, JAN ~~JULY~~ 8, 1974; BUREAU TELCALL
TO SL, JULY 18, 1974.

FOLLOWING INFO SUBMITTED TO CLARIFY RE AIRTEL:

RECORDS TO BE REVIEWED IN SAN DIEGO CURRENTLY IN

POSSESSION OF [REDACTED]

b6
b7C
b7D

AS SET OUT IN RE AIRTEL, [REDACTED]

[REDACTED] COOPERATING WITH BUREAU IN

END PAGE ONE

Approved: *WTD/P*
Special Agent in ChargeSent *7/17 11* M Per *[Signature]*

b3
b6
b7C
b7D

PAGE TWO

[REDACTED]

ST. LOUIS STRIKE FORCE ATTYS FEEL ABOVE FACTS MAY SUBSTANTIATE
WPPDA AND MAIL FRAUD VIOLATIONS.

ST. LOUIS CASE AGENT, SA [REDACTED] TO BE APPOINTED
AGENT OF FEDERAL GRAND JURY TO REVIEW ABOVE RECORDS ~~PURSUANT~~
~~TO~~ FGJ SUBPOENA TO BE SERVED UPON [REDACTED]
[REDACTED] TO SA [REDACTED] IN SAN DIEGO.

SIMILAR SUBPOENA TO BE SERVED UPON [REDACTED] DIRECTING HIM
TO APPEAR BEFORE SA [REDACTED] IN SAN DIEGO [REDACTED]
THIS BEING DONE TO PROTECT [REDACTED] COOPERATION. [REDACTED]
ATTORNEY AGREEABLE TO THIS PROCEDURE.

[REDACTED] HOWEVER IT IS FELT THAT SA [REDACTED] OF
SAN DIEGO DIVISION SHOULD ASSIST IN [REDACTED]

[REDACTED] STRIKE FORCE ATTYS ADVISE PRESENCE OF
SAME NOT IN VIOLATION OF FGJ PROCEDURES AND THEY AGREE
WITH PRESENCE OF SAA TO ASSIST.

END.

FBI

Transmit in _____ Via Airtel
(Type in plaintext or code)

(Precedence)

7/19/74

(Date)

TO: SAC, St. Louis (156-20)

✓ From: Director, FBI (156-557)

MORRIS A. SHENKER, aka;
ET AL.
WPPDA; OOG; PERJURY
OO: SL

Reurtel 7/18/74, and urairtel 7/8/74.

Permission granted for SA [] to proceed to San Diego for period 8/6-9/74, as requested in referenced communications. Since such communications were not designated for San Diego, your office should promptly coordinate with San Diego to assure fully qualified SA Accountant of San Diego will be assigned to assist in []

[] produced under subpoena. Also, it would be desirable for your office to consider arranging for San Diego to ascertain discreetly that [] will be available at San Diego to accept service of subpoena prior to contemplated traveling of SA [] //

Please advise Bureau of pertinent developments.

(Do not type below this line.)

Be sure who
Index above &
Coordinate with

156-20-263
SEARCHEDb6
b7C

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS (92-2286)

DATE: 7-11-74

FROM :

SA [REDACTED]

SUBJECT:

[REDACTED] aka

AR

OO: SL

On 7-9-74, the writer met with Investigator [REDACTED] Nevada Gaming Control Board, regarding matters of interest to the St. Louis Division.

During that meeting, [REDACTED] advised that he has determined that the following St. Louis hoodlum figures have purchased vehicles from [REDACTED] Motors on the dates indicated:

NAME

DATE

Year	Make	TYPE VEHICLE (New or Used)
1971	Cadillac	New
1971	Pontiac	New
1971	Pontiac	New
1971	Pontiac	New
1971	Pontiac	New
1971	Pontiac	New
1969	Pontiac	Used
1971	Cadillac	New
1971	Pontiac	New
1971	Cadillac	Used

M. ARTHUR SHENKER

4-13-71

18 - St. Louis
1 - 92-2286
1 - 92-1787
1 - 92-2546
1 - 163-173

1 - 92-1660
1 - 92-2038
1 - 182-652
1 - 92-558
1 - 92-540
1 - 18341
1 - 92-176

1 - 92-2051
1 - 166-1738
1 - 92-508
1 - 92-153
1 - 183-9
1 - 156-20
1 - 87-21177

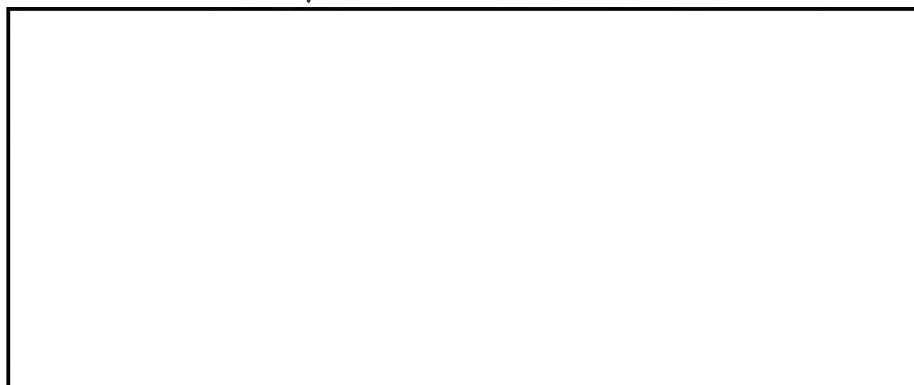
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18

156-20-217
SEARCHED
SERIALIZED

JUL 12 1974



SL 92-2286

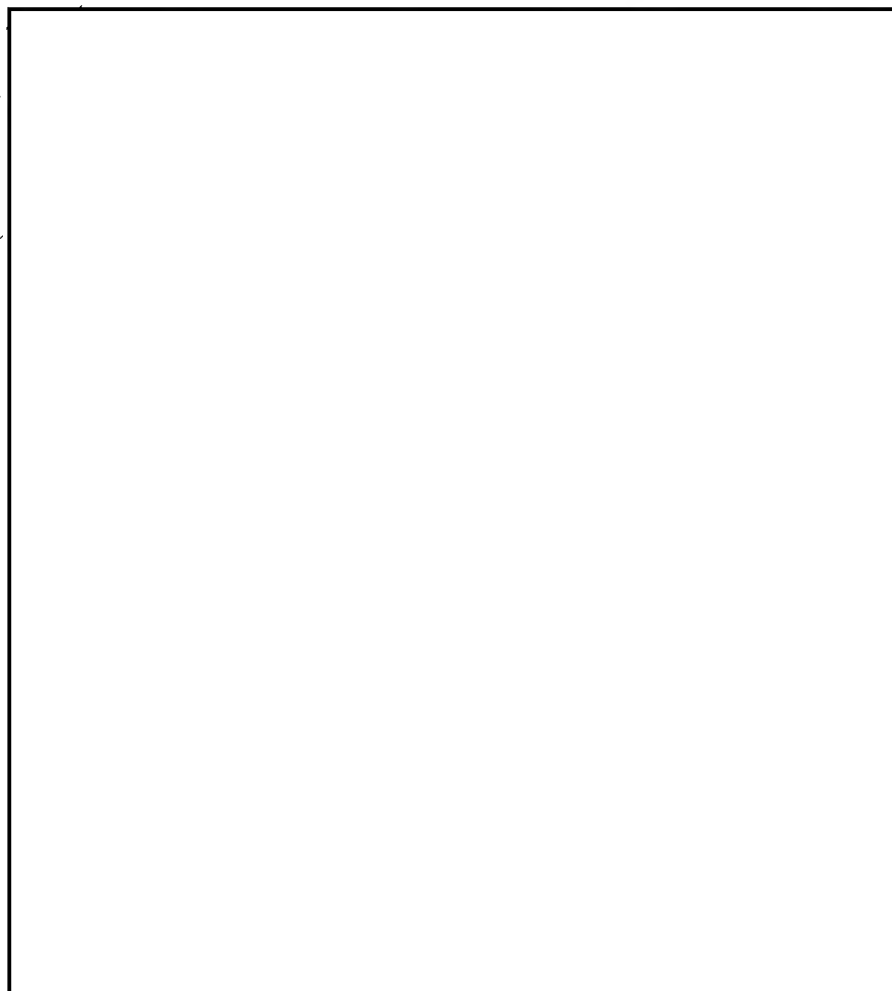


Cadillac	New
Cadillac	New
Cadillac	Used
Pontiac	New
Pontiac	New
Pontiac	New

Karot, Inc.

2-18-72

1972



Cadillac	New
Cadillac	New
Cadillac	New
Cadillac	New
Cadillac	Used
Cadillac	New
Cadillac	Used
Pontiac	New
Cadillac	New
Cadillac	New
Pontiac	New
Pontiac	New
Cadillac	New
Cadillac	New
Cadillac	Used

SL 92-2286

			Pontiac	New
			Pontiac	New
ANTHONY GIORDANO	6-16-73	1973	Cadillac	New
			Cadillac	New
			Cadillac	New
			Cadillac	New
			Cadillac	New
			Pontiac	New
			Cadillac	Used
			Pontiac	Used
			Cadillac	New
			Pontiac	New
			Pontiac	New
			Cadillac	New
Labor Local 110	2-11-72	1972	Pontiac	New
Labor Local 110	2-29-72	1972	Cadillac	New
Labor Local 110	6-19-72	1972	Pontiac	New
			Datsun	New
			Datsun	New
			Datsun	New

7/24/74

AIRTEL

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TO: SAC, SAN DIEGO (156-5)
FROM: SAC, ST. LOUIS (156-20) (P)
SUBJECT: MORRIS A. SHENKER, aka;
ET AL
WPPDA; OOJ; PERJURY
OO: SL

On 6/26/74, [redacted]
and [redacted]
appeared before the FGJ at St. Louis re instant matter.
Prior to FGJ appearance [redacted] was interviewed extensively
by the St. Louis case Agent. Upon completion of this
interview, [redacted] agreed to cooperate with the FBI in
this matter. It is noted that [redacted]
[redacted]

During the interview of [redacted] he advised that
[redacted]

[redacted] also advised that [redacted]
[redacted]

2 - San Diego
② - St. Louis

TRP:kmt

④ (4)

FORM 6-2

DATE RECEIVED

7/26/74

DATE RETURNED

7/26/74

REPORT BY

8/5/74

156-20-215
SEARCHED
SERIAL
INDEXED
FILED

b6
b7C

SL 156-20

[REDACTED]

[REDACTED] has advised that [REDACTED]
[REDACTED]
[REDACTED] offered to explain [REDACTED] to
Bureau Agents on an extremely confidential basis.

By airtel dated 7/19/74, the Bureau has
granted permission for the St. Louis case Agent
(SA [REDACTED]) to proceed to San Diego on 8/6/74
to [REDACTED]

[REDACTED] The Bureau has advised that a fully qualified
SA Accountant from the San Diego Division should be
assigned to assist in this [REDACTED] to assist in

[REDACTED]

[REDACTED]

In order to protect [REDACTED] cooperation, SA
[REDACTED] is being designated an Agent of the St. Louis FGJ.
He will be bringing with him to San Diego two subpoenas.
One will be a subpoena duces tecum addressed to [REDACTED]
directing him to [REDACTED]
[REDACTED] to SA [REDACTED] in San Diego [REDACTED] A second
subpoena will be served upon [REDACTED] directing him to
appear before SA [REDACTED] in San Diego to [REDACTED]

[REDACTED] This procedure has been fully worked out with
[REDACTED] former Bureau Agent [REDACTED]
[REDACTED] and they are both agreeable to this procedure.

SL 156-20

St. Louis Strike Force attorneys advise that as an Agent of the FGJ, SA [] may obtain whatever assistance may be necessary to []

San Diego will be advised by separate communication of the contemplated arrival time at San Diego of SA [] on 8/6/74.

FEDERAL BUREAU OF INVESTIGATION

b3
b6
b7C1Date 7/25/74

On July 11, 1974, [redacted] Las Vegas, Nevada, furnished [redacted] in response to a subpoena issued by a Federal Grand Jury convened in Las Vegas that date.

[redacted] U. S. Attorney's Office, turned [redacted] over to SA [redacted] the same day.

These [redacted] included [redacted]

[redacted]

In the event the foregoing information is used in a court proceeding, a subpoena should be directed to [redacted]

On 7/24/74 at Las Vegas, Nevada

File # LV 156-25

156-20-216

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 25 1974	

b6
b7C

by SA [redacted] :imw

Date dictated 7/24/74

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS (156-20)

FROM : *[Signature]* SAC, LAS VEGAS (156-25) (RUC)

SUBJECT: MORRIS A. SHENKER, aka;
ET AL;
WPPDA; PERJURY; OOJ
OO: St. Louis
Bufile 156-557

DATE: 7/25/74

Re Las Vegas letter to St. Louis dated 6/13/74.

Enclosed herewith are two copies of an FD-302 reflecting that on 7/11/74 [redacted] furnished

[redacted] Also enclosed is the [redacted]
[redacted] furnished by [redacted]

② - St. Louis (Enc. 3)
1 - Las Vegas
JWD:imw
(3)



5010-108-02

Buy U.S. Savings Bonds Regularly on the Payroll

156-20-217

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 23 1974	

[redacted]

b6
b7C

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS (156-20)

DATE: 7/30/74

FROM :

SA [REDACTED]

SUBJECT:

MORRIS A. SHENKER, aka;
ET AL
WPPDA
OO: ST. LOUIS

b6
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On 7/30/74, Strike Force Attorney [REDACTED] advised that the [REDACTED] [REDACTED] had been returned to [REDACTED] approximately one week ago by [REDACTED] (See 156-20-181)

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It is noted that [REDACTED] were obtained by the FBI on 10/20/72 for use as evidence in this case. On 10/25/72, at the request of [REDACTED] these records were returned to the Strike Force Offices and placed in a locked safe there. This was done so that other federal Agencies - Labor Dept., IRS, etc. - could also review [REDACTED] stated that he would return these [REDACTED] until no longer needed by the FBI or any other investigative agency.

In late June, 1974, [REDACTED] informally inquired of the writer as to whether the above [REDACTED] were still needed. He was advised in the affirmative and was further told that these [REDACTED] contained evidence of [REDACTED]

LEADS

ST. LOUIS DIVISION

AT ST. LOUIS, MISSOURI:

- 1.) Will determine from [REDACTED] why above [REDACTED] were returned to the [REDACTED] when still needed as evidence.
- 2.) Will conduct appropriate investigation to re-obtain these [REDACTED] from the [REDACTED]

2 - SL 156-20
1 - SL 92-2105
TRP:vls
(3)



5010-108-02

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

b6
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FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE ST. LOUIS	OFFICE OF ORIGIN ST. LOUIS	DATE 5/5/74	INVESTIGATIVE PERIOD 6/24 - 7/26/74
TITLE OF CASE ROBERT A. SHERRIN, aka; IRVIN JULIUS BART (DECEASED); FIDELITY UNION LOCAL 832 WELFARE AND PENSION FUND ST. LOUIS, MISSOURI; [REDACTED] ROBERT A. BART		REPORT MADE BY CA [REDACTED]	TYPED BY jot
		CHARACTER OF CASE UPEDA; FIDELITY; GBJ	

REFERENCE:

St. Louis report of CA [REDACTED] dated 5/37/74.
Bureau airtel to St. Louis, dated 7/19/74.
St. Louis airtel to San Diego, dated 7/26/74.

- 2 -

ADMINISTRATIVE:

Investigative period overlaps that of referenced report due to receipt of results of interview with [REDACTED] at San Diego after submission of referenced report.

As set out in referenced Bureau airtel, St. Louis area agent is traveling to San Diego 5/6-9/74 to obtain and review voluminous records of HALL-SHERMAN companies that received loans

ACCOMPLISHMENTS CLAIMED					<input type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES			
							PENDING OVER ONE YEAR <input type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input type="checkbox"/> NO

APPROVED

SPECIAL AGENT
IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

- 3 - Bureau (100-557)
 - 1 - USA, St. Louis
 - 1 - AIG
 - 2 - San Diego (156-3)
 - 1 - San Francisco (156-43)
 - ① - St. Louis (100-20)
- jot*

Dissemination Record of Attached Report

Agency				
Request Recd.				
Date Fwd.				
How Fwd.				
By				

Notations

KLJ
 SEARCHED _____
 INDEXED _____
 SERIALIZED _____
 FILED _____

SL 156-20

from Pipefitters Local 502 Pension Funds. Arrangements have been made with San Diego Division for assistance of Special Agent Accountant to assist in this review and tracing of funds. Bureau will be advised of results.

On 7/9/74 Investigators [redacted] and [redacted] of the Nevada Gambling Control Board were in St. Louis conducting an investigation of SHENKIN in relation to his application for licensing for ownership of the Dunes Hotel, Las Vegas, Nevada. During this conference, these investigators made available to St. Louis on a strictly confidential basis copies of the following documents:

b6
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Copies of the above documents cannot be disseminated outside the Bureau and are being retained by St. Louis Division for future reference.

On 5/16/74 [redacted] provided the following information regarding MORRIS SHENKIN'S relationship to the Pipefitters Union, Local 502, St. Louis, Missouri.

b2
b7D

There is a dissident faction within the union that will be opposing the old line [redacted] faction that has been

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SL 150-20

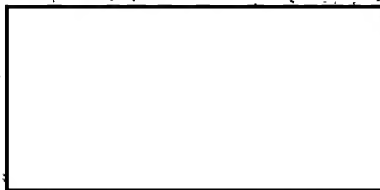
in control of the Pipefitters for years. This election will be held in late 1974 and it is anticipated that the dissident faction may gain control of the union.

Informant said that there are only two vital positions in the union, the office of Business Manager and the office of Secretary-Treasurer. These two positions will likely be filled by [redacted] whom he described as completely straight. The other officers in the union have little authority as to the formation and execution of major policy decisions. The informant said the only way that outside influence might be a factor is if MORRIS SHENKER somehow maintains his grip on the union. The informant said the dissident group is convinced that SHENKER has been the real "behind the scenes" force in this union for years and he is the person who "has to go" if the dissidents expect to radically change the public image of and rid this union of criminal influence.

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Informant commented that the dissidents have learned that large sums of money from the Welfare and Pension Funds of the union have been invested in several companies on the west coast and it is suspected that SHENKER is the individual who arranged the loans. Informant said that if this money is lost as a result of manipulations by SHENKER and his friends, there will be a lot of "unhappy pipefitters", some of whom are capable of doing physical violence against anyone who crosses them. Informant said the pipefitters are extremely sensitive regarding the Welfare and Pension Funds as this directly relates to their income after retirement.

Confidential sources referred to in details who provided telephone subscriber information are as follows:



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b7D

LEADS:

SAN DIEGO DIVISION

AT SAN DIEGO, CALIFORNIA

C
COVER PAGE

SL 150-20

For referenced airtel, will assist St. Louis case Agent in San Diego between 8/6-9/74 with review of records pertinent to this matter.

SAN FRANCISCO DIVISION

AT OAKLAND, CALIFORNIA

1) Will re-interview [REDACTED]
[REDACTED]

A) His statement to Bureau Agents on 6/5/74 wherein he stated that he [REDACTED]
[REDACTED]

Determine from [REDACTED] who he had these conversations with, when they took place and where they took place.

B) His statements to Bureau Agents on the same date that [REDACTED]
[REDACTED] to MORRIS SHENKER. Determine from him who he received this impression and from what his understanding was as to what these illegal payments were.

2) Advise [REDACTED]
[REDACTED]

Issue a Federal Grand Jury subpoena to him and obtain his testimony in that manner.

ST. LOUIS DIVISION

AT ST. LOUIS, MISSOURI

1) Will travel to San Diego 8/6-9/74 to review records pertinent to this case.

2) Conduct appropriate investigation to verify all payments made to SHENKER by companies receiving loans from Pipefitters fund and determine if they related in any manner to his having obtained the Pipefitters loan for these companies.

SL 153-20

3) Through Strike Force attorneys, will determine proper method to obtain "time sheets" and other documents from SHENKER'S law firm showing the amount of time expended on behalf of Marietta Hot Springs, B.A.I., and Mission Hills. Thereafter, obtain such records.

4) Will, through proper subpoenas, trace disbursement of Pipelitters loan funds to above three companies, and to determine if any of the funds were returned to SHENKER in the form of legal fees, et cetera.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - United States Attorney, St. Louis, Missouri
1 - AIC, St. Louis Field Office, St. Louis, Missouri

Report of: SA [REDACTED] Office: ST. LOUIS
Date: August 5, 1974

Field Office File #: SL 156-20 Bureau File #: 156-557

Title: MORRIS A. SHENKER;
IRVIN JULIUS KAHN (DECEASED);
PIPEFITTERS UNION LOCAL 562
WELFARE AND PENSION FUNDS
ST. LOUIS, MISSOURI;

Character:

Character: WELFARE AND PENSION PLANS DISCLOSURE ACT; PURJURY;
Synopsis: OBSTRUCTION OF JUSTICE

Synopsis: Information regarding long distance phone calls made by [REDACTED] set forth. Newspaper articles included pertaining to this case and giving background of [REDACTED] and details of his current employment with Teamsters Pension Fund. Interviews of numerous ex-employees of IRVIN J. KAHN set forth providing additional information regarding Pipefitters loans. [REDACTED] appeared before SL FGJ on 6/26/74 and produced [REDACTED]

[REDACTED] SL Strike Force attorneys still considering prosecution of [REDACTED]
[REDACTED] Investigation continuing.

- P -

DETAILS:

The following information sets forth investigation conducted regarding long distance telephone calls made by [REDACTED] during period of time in which he was under subpoena to produce certain [REDACTED] to the Federal Grand Jury at St. Louis.

SL 156-20


AT CHICAGO, ILLINOIS

Between January 7, 1974 and March 20, 1974 subscribers for the below listed telephone numbers were as follows:



Chicago, Illinois

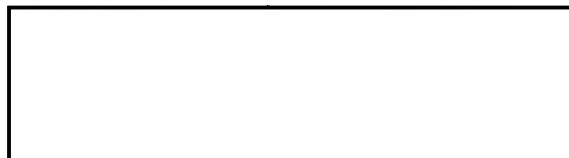
312-693-5300
Central States Southeast and Southwest Areas,
Health and Welfare Funds,
International Brotherhood of Teamsters
8550 West Bryn Mawr
Chicago, Illinois

The following investigation was conducted by
Special Agent 

AT MAMMOTH LAKES, CALIFORNIA

The current telephone directory for Eastern Sierra, California, including Mammoth Lakes, California, discloses that telephone number 714-934-2581 is listed to Mammoth Mountain Inns, Mammoth Lakes, California, which is a large hotel-condominium complex located adjacent to the Mammoth Mountain Ski Lift.

AT SAN DIEGO, CALIFORNIA

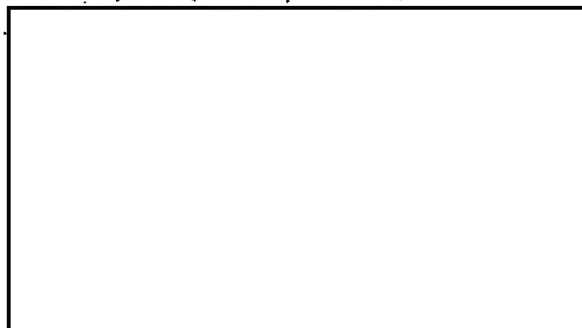


714-729-9111


Avis Rent-A-Car


7189 Estrella De Mar Road
Carlsbad, California

SL 156-20

AT WASHINGTON, D.C.

On June 16, 1974 a confidential source advised that the subscriber to telephone 202-783-0670 is the International Brotherhood of Teamsters Union, 25 Louisiana Avenue, N.W., Washington, D.C.

AT PHOENIX, ARIZONA

On June 18, 1974 a confidential source advised service was established under this number for one [redacted]

[redacted] Credit information concerning [redacted] revealed his social security number as [redacted]

[redacted] was indicated by [redacted]

[redacted] He had previous residence and business telephone service three years ago in Phoenix, Arizona.

[redacted] Source advised this number was disconnected because [redacted] abandoned service; and both [redacted] and [redacted] are indebted to the telephone company as a result.

AT LOS ANGELES, CALIFORNIA

On June 14, 1974 confidential sources provided the following subscribers to the telephone numbers indicated:

At Beverly Hills, California, 213-273-2220, subscriber City National Bank, 400 North Roxbury Drive, Beverly Hills.

At Orange, California, [redacted] subscriber



SL 156-20

At Riverside, California, [redacted] subscriber

At Santa Ana, California, subscribers as follows:
to 714-833-2180 is Ponderosa Homes, 2082 Business Center
Drive, Room 100, Irvine, California. To 714-547-3333 is
Title Insurance Trust Company, 800 North Main, Santa Ana,
California. To 714-835-2200 is Ruten and Tucker Attorneys,
401 Civic Center Drive West, Santa Ana, California.

At Pomona, California, [redacted] telephone sub-
scriber is [redacted]

At Santa Barbara, California, 805-965-0571, tele-
phone subscriber is Title Insurance and Trust, 36 E
Figueroa, Santa Barbara, California.

AT SAN FRANCISCO, CALIFORNIA

Review of City Directory for San Francisco revealed
the following information:

415-781-3500
Listed to
Title Insurance and Trust Company
Central Western Division,
160 Pine Street,
San Francisco, California



A confidential source provided the following subscri-
ber's name and address:

415-453-3885
Listed to
Hagemann & Company,
Management Consultants,
106 Fernwood Drive
San Rafael, California

SL 156-20

AT ST. LOUIS, MISSOURI

On May 20, 1974 the following article appeared in the St. Louis Globe Democrat:

SL 156-20

On May 21, 1974 the following article appeared in the St. Louis Globe Democrat:

SL 156-20

On June 7, 1974 the following article appeared in the St. Louis Globe Democrat:

SL 156-20

AT SAN DIEGO, CALIFORNIA

On June 12, 1974 the following article appeared in the San Diego Union Newspaper:

Kahn Property Official Named

By HOMER CLANCE
Financial Writer, The San Diego Union

Don Rochambeau, 41, a title insurance company official, has been named to administer the properties of real estate developer Irvin J. Kahn, who died Sept. 10, 1973.

Rochambeau said he was approached by the trustees of the Central States, Southeast and Southwest Areas of the Teamsters Union Pension Fund to take the post.

A native of Kansas City, Rochambeau has served almost six years as vice president-manager of the San Diego Imperial office of Title Insurance & Trust Co.

Since TI handled Kahn's title insurance business, said

Rochambeau, he learned quite a bit about Kahn and his Penasquitos development during the past five years.

He said he will assume his new post, under a contract longer than 10 years, on June 21.

The Teamsters Union pension fund filed claims totaling \$180.3 million against Kahn's estate. A petition filed in the case, which sought two avenues to help clear up the claims, was approved in probate court.

ACQUIRES SHARES

The Teamsters Union fund, under the agreement, will acquire 75 per cent of the shares of Kahn's Penasquitos Corp. stock. The estate will also tender a \$520,000 promissory note to the pension fund.

This will be backed by shares of Great Western Mortgage Co., another Kahn firm. In return, at the closing of the estate, the pension fund will return all shares of Great Western along with 200 shares of nonvoting Penasquitos stock.

Also called for is the dissolution of Kahn's business relationship with Morris A. Shenker, a St. Louis attorney who is listed on a number of financial obligations as a guarantor.

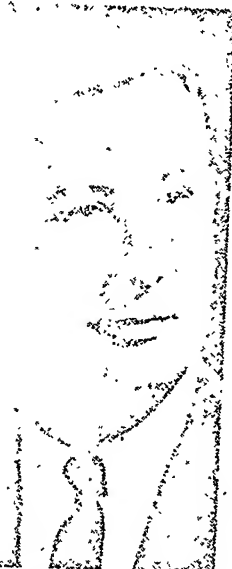
At the time of Kahn's death, he and Shenker each owned 50 per cent of all outstanding shares in these corporate entities:

B.A.I., Inc., Murrieta Hot Springs, Inc., Shelter Island Hotel Corp., and IJK Nevada, Inc. Shenker was to give the estate \$25,000 in cash and release the estate from obligations of these companies.

ACREAGE LISTED

Rochambeau said the pension fund ended up with about 16,000 acres, most of it in the Penasquitos Ranch area, University City, South Bay area, Clairemont Shopping Center. Some acreage is also owned by the fund in San Juan Capistrano (800 acres) and Oakland, he said.

Nothing has been done since Kahn's death pending the outcome of the pension fund's claims, Rochambeau said.



DON ROCHAMBEAU
... named by trustees

This left 400 to 500 houses, most completed, as well as finished lots on which no other work has started, he added.

ROLE DISCUSSED

Rochambeau, who attended college in Missouri and served in the Marine Corps during the Korean War, said "my role will be to study and determine what to do with them. 'If I have to hire a developer, I will hire a developer.'"

Rochambeau, who has had experience in financial institutions as well as with TI, said he joined TI 16 years ago in Orange County.

He said he went to Chicago for interviews for the pension fund post, and that the contract was finalized last week. Rochambeau said he will be headquartered in the Charter Oil Building for the time being.

RANKED AS 21ST

Kahn, shortly before his death at the age of 57, was listed in the trade journal Professional Builder as the 21st in what the magazine called 419 "giants" of the development industry.

He was reported working on 35 projects in six areas at the time of his death.

Los Penasquitos, which Kahn started in 1962, was considered his biggest project. The county's first Spanish land grant, the 14,000

(Continued on C-12, Col. 1)

Rochambeau To Manage Kahn Lands

(Continued from Page C-7)

acres stretched from San Diego to Poway.

Teamsters pension fund claims show Kahn initially borrowed \$1.2 million for Penasquitos, Inc., and \$2.3 million for Sheiter Island Corp. in August, 1966.

A continuing guarantee signed by Kahn on Oct. 1, 1971, showed Kahn at that time personally guaranteed loans up to \$150 million to 21 companies in which he was a principal.

A subsequent continuing guarantee signed by Kahn and Shenker only two months before Kahn's death agreed to guarantee another \$37.5 million.

Principal beneficiaries of the Kahn estate are his widow, Eleanor, a son, Samuel, and a daughter, Barbara Kahn Shapiro.

FEDERAL BUREAU OF INVESTIGATION

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b7CDate of transcription 7/8/741

[redacted] was interviewed at St. Louis, Missouri prior to his appearance before a Federal Grand Jury in response to a subpoena previously served upon him. [redacted] provided the following information:

[redacted]

[redacted]

[redacted]

Upon conclusion of this interview, [redacted] stated that he was turning over to the Federal Grand Jury [redacted]

[redacted]

Interviewed on 6/26/74 at St. Louis, Missouri File # SL 156-20
by SA [redacted] *38*:jet Date dictated 7/2/74

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1
SL 156-20
TRP:jet

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AT ST. LOUIS, MISSOURI

On July 26, 1974 St. Louis Strike Force Attorney [redacted] advised that he was issuing Federal Grand Jury subpoenas duces tecum to [redacted]

calling for the [redacted]

[redacted] to the Federal Grand Jury or to a Special Agent of the Federal Bureau of Investigation acting for and on behalf of that Grand Jury. [redacted] also stated that he was issuing a similar subpoena to [redacted] for the purpose of [redacted]

[redacted] also advised that he still has under consideration a Federal prosecution against [redacted] relating to [redacted] of [redacted] which had been subpoenaed by the Federal Grand Jury.

8/13/74

AIRTEL

TO: SAC, LAS VEGAS (156-25)
FROM: SAC, ST. LOUIS (156-20) (P)
SUBJECT: MORRIS A. SHENKER, aka;
ET AL
WPPDA; PERJURY; COJ
OO: ST. LOUIS
BUFILE: 156-557

Enclosed for Las Vegas is a FGI subpoena addressed to the [REDACTED] This subpoena is returnable 8/20/74.

Special Attorney [REDACTED] assigned to the U.S. Department of Justice Strike Force, St. Louis, Mo., was contacted on 8/9/74 and requested that a FGI subpoena be served on the [REDACTED]

[REDACTED] said he had received information [REDACTED]

[REDACTED] stated that an associate of SHENKER, one [REDACTED], is to be indicted on ITSP charges in St. Louis in early September, 1974. SHENKER was connected with [REDACTED] in several stock transactions involving Pipe Fitters Union, Local 562, St. Louis, Missouri. [REDACTED] believes that [REDACTED] will be a key figure in the possible indictment of SHENKER who is an attorney for the Pipe Fitters Union.

LEADS

LAS VEGAS DIVISION

2 - Las Vegas (Enc 2)
2 - St. Louis
MRD:dly
(4)

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b7C

SL 156-20

AT CARSON CITY, NEVADA

Will serve FGJ subpoena on [REDACTED]
[REDACTED]
[REDACTED]

If the [REDACTED] has any questions concerning this subpoena they should contact St. Louis Strike Force Attorneys [REDACTED] telephone [REDACTED]. This subpoena should be served as soon as possible in view of the returnable date, 8/20/74.

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UNITED STATES GOVERNMENT

Memorandum

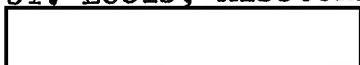
TO : SAC, ST. LOUIS (156-20)

FROM : *[Signature]* SAC, SAN DIEGO (156-5) (RUC)

SUBJECT:

DATE: 8/12/74

MORRIS A. SHENKER aka;
IRVIN JULIUS KAHN (DECEASED);
PIPEFITTERS UNION, LOCAL 562,
WELFARE AND PENSION FUNDS,
ST. LOUIS, MISSOURI;

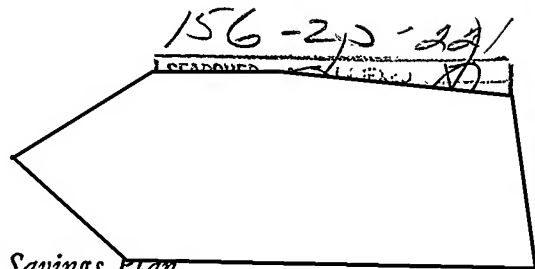


WPPDA; PERJURY; OOJ
(OO:ST. LOUIS)

Since all outstanding leads for the San Diego Office have been covered, this case is being placed in a RUC status.

② St. Louis
1-San Diego

LAW/asc
(3) *Zaw*



UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS [REDACTED] P DATE: 8/14/74

FROM : SPVR [REDACTED]

SUBJECT: [REDACTED]
TECIP

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b2
b7D

Extreme caution should be used in dissemination of any of the following information received from captioned informant. It is noted that in most instances information received from this informant is known only to a limited number of persons and any reference to it might well jeopardize the informant's life. Any information used from this informant as set forth below in a report being disseminated outside of the Bureau should be set forth on the administrative pages and not referred to in the details.

Captioned informant was contacted on 7/13/74, and 8/9/74.

GAMBLING MATTERS
ST. LOUIS DIVISION
(SL 165-127)

[REDACTED]
AR
(SL 92-2282)

[REDACTED]
ITWI
(SL 165-10)

[REDACTED]
AR
(SL 92-1146)

[REDACTED]
AR
(SL 92-1861)

[REDACTED]
AR
(SL 92-848)

b6
b7C

[REDACTED]
ITWI
(SL 165-598)

[REDACTED]
AR
(SL 92-156)

b6
b7C
b7D

Captioned informant advised that captioned individuals are all playing gin at [REDACTED]

13 - St. Louis

1 - [REDACTED]
1 - 92-774 (LCN)
1 - 92-1146 [REDACTED]
1 - 165-10 [REDACTED]
1 - 92-1861 [REDACTED]
1 - 92-156 (GIARDANO)
1 - 92-848 [REDACTED]
1 - 165-598 [REDACTED]
1 - 92-2282 [REDACTED]

1 - 165-127 (GAMB. MAT.)
1 - 92-508 [REDACTED]
1 - 156-20 (SHENKER)
1 - 166-464 [REDACTED]

b2
b7D

RLS:bak
(13)

156-20-222
SEARCHED INDEXED
SERIALIZED FILED
AUG 15 1974

b6
b7C

b2
b7D

SL [REDACTED]

[REDACTED]
Informant stated that [REDACTED]
[REDACTED]

b6
b7C
b7D

[REDACTED] stated that this information cannot be provided to the local authorities inasmuch as these people are apparently playing there with the okay of the District.

JAMES ANTHONY MICHAELS, SR.
AR
(SL 92-508)

MICHAELS, SR., is in St. John's Hospital where he has been for approximately one week undergoing physical examinations.

[REDACTED]
AR
(SL 92-158)

[REDACTED] continues to reside on [REDACTED] with his now wife [REDACTED]

ANTHONY GIARDANO
AR
(SL 92-156)

b6
b7C

Recently TONY GIARDANO went to San Diego to straighten out the troubles of MORRIS SHENKER who apparently is involved in some securities transaction involving Switzerland. This has apparently caused [REDACTED] some concern and SHENKER is considerably concerned with it also. (It is noted that this information was volunteered by the informant and had not been previously mentioned or discussed with him.)

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b7D

Informant stated that TONY GIARDANO and [REDACTED] both have a big interest in the Aladdin Hotel in Las Vegas. Further, [REDACTED]
[REDACTED]

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/19/74

On August 15, 1974, at 12:15 p.m., MORRIS SHENKER was observed deplaning from Trans World Airlines (TWA) Flight 419 at Gate 24, Lambert-St. Louis International Airport. This flight was a direct flight from Washington, D.C. and SHENKER was engaged in a casual conversation in which he indicated that he had just been to Washington, D. C. and that he was still maintaining a very active schedule. He was met at Gate 24 by a white male, [REDACTED]. This person was subsequently engaged in a general conversation and it was determined that his name is [REDACTED] (PHONETIC) and he volunteered that he is an employee of SHENKER's. [REDACTED] carried one small piece of luggage which belonged to SHENKER and then accompanied SHENKER out of the airport and went to a car which was parked in Senator EAGLETON's parking space. This car is described as a 1974 black Chevrolet which bears [REDACTED]. These two persons were then observed departing the airport premises in this automobile.

Interviewed on 8/15/74 at St. Louis, Missouri File # SL 156-20 -223
by SA [REDACTED] :vls Date dictated 8/16/74

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS (156-20) (P)

DATE: 8/19/74

FROM : SA [REDACTED]

SUBJECT: MORRIS SHENKAR
WELFARE AND PENSION PLANS
DISCLOSURE ACT

Enclosed herewith is an FD-302 reflecting investigation conducted by SA [REDACTED] at Lambert-St. Louis International Airport, SLMO.

3- St. Louis
1- (156-20) (Enc. 2)
1- (92-2088) (Enc. 1)
1- (92-2232) (Enc. 1)

EMM:dmn
(3) *dmn*

156-20-22 *4*
SEARCHED INDEXED
SERIALIZED FILED
AUG 19 1974



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS (156-20)

DATE: 8/26/74

FROM : ^{VP/le} SAC, LAS VEGAS (156-25) (P)

SUBJECT: MORRIS A. SHENKER, aka;
ET AL
WPPDA; PERJURY; OOJ
OO: St. Louis
BUfile: 156-557

Reurairtel, 8/13/74.

On 8/20/74, subpoena furnished with reairtel
was served on [redacted]

b3
b6
b7C

[redacted] The names of Strike Force Attorneys [redacted]
[redacted] telephone [redacted] St.
Louis, Missouri, were furnished to [redacted]

[redacted] advised that [redacted]
[redacted]

b6
b7C

Las Vegas Division will follow matter with [redacted]
in event pertinent material will be turned over to FBI
for forwarding to Strike Force, St. Louis, Missouri.

② - St. Louis
2 - Las Vegas
HEN:rlr
(4)



5010-108-02

156-20-225
SEARCHED INDEXED
SERIALIZED FILED

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

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F B I

Date: 8/28/74

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL
(Priority)

TO: SAC, ST. LOUIS (156-20)

FROM: SAC, LAS VEGAS (156-25) (P)

SUBJECT: MORRIS A. SHENKER, aka
ET AL
WPPDA; PERJURY; OOJ
OO: St. Louis

Remylet, 8/26/74.

Enclosed herewith is executed return of the
subpoena served on [REDACTED]

[REDACTED] 8/20/74.

② - St. Louis (Enc. 1)
1 - Las Vegas
MBP/jd
(3)

*Subpoena
returned to
Strike Force
9-5-74
④*

156-20-226

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 2 1974	

b3
b6
b7Cb6
b7C

Approved: VFC/mbf Sent _____ M Per _____
Special Agent in Charge

Morris Shenker In Venture To Develop California Land

By WILLIAM H. KESTER
Post-Dispatch Financial
Editor

Morris A. Shenker, St. Louis attorney who now spends most of his time in Las Vegas, has formed a joint venture to develop land at Murrieta Hot Springs, in southern California, with \$5,000,000 advanced by Continental Connector Corp.

Shenker owns Murrieta Hot Springs, which is operating at a loss, and controls Continental Connector and has announced plans to buy all of it.

Continental Connector owns the Dunes, one of the largest casinos on the Las Vegas "strip." Through a wholly-owned company, I.J.K. Nevada, Inc., Shenker owns 34 per cent of Continental and plans to buy the remainder at \$11 a share for a total of \$16,400,000.

Plans for the complicated joint venture were contained in a report to the Securities and Exchange Commission by Continental Connector.

Continental California Corp., a wholly-owned subsidiary of Continental Connector, on July 1 purchased land and buildings from Murrieta Hot Springs for \$11,200,000 with payment of \$560,000 plus notes for the remainder.

The purchase includes 540 acres of land in the North Penasquitos area of San Diego, Calif., which was sold for \$2,500,000, and an 18-hole golf course and 300 acres of adjacent land at Murrieta Hot Springs, which were sold for \$8,700,000.

The agreement calls for the land to be developed jointly by Murrieta Hot Springs and Continental California. Profits of the joint venture are to be shared equally.

Murrieta Hot Springs has borrowed \$1,750,000 from Valley Bank of Nevada, Las Vegas, which is headed by E. Parry Thomas and Jerome D. Mack. Thomas and Mack also are directors and officers of Continental Connector.

The deals will reduce earnings of Continental Connector, the disclosure statement to the SEC showed. Assuming no land is sold, share earnings would be reduced 12 cents this year, 17½ cents next year and 6 cents in 1976.

If capitalization of interest is prohibited, as proposed by the SEC, and no land is sold, share earnings of Continental Connector will be reduced 22 cents this year, 37½ cents next year and 26 cents in 1976.

These figures are based on the assumption that the hotel, spa and golf course owned by Murrieta will continue to operate at a loss. The expected loss is \$2,400,000 this year, \$1,680,000 next year and \$600,000 in 1976.

However, Shenker in a telephone interview from Las Vegas, said this was the worst possible projection and was for the record only. He said "We expect to make a lot of money selling land."

Continental Connector earned \$3,697,000, or \$1.51 a share, on sales and revenues of \$116,621,000 in 1973. In 1972, it earned \$3,632,000, or \$1.49 a share, on sales and revenues of \$100,916,000.

Assets of the company at the end of 1973 amounted to \$53,107,000 and net stockholders' equity was \$21,533,000.

An obscure paragraph of the disclosure statement said the carrying value of the land and shareholders' equity in Continental Connector may be reduced if a survey being made shows that Murrieta paid less for the land than the selling price to Continental California. The carrying value of the land and shareholders' equity will be reduced by the net gain to Murrieta less applicable capital gains tax effect.

However, the report also said the price of the land was below market value and was proposed by the seller.

Lillian K. Shenker, wife of Morris Shenker, is president of Murrieta Hot Springs. She also manages the project.

(Indicate page, name of newspaper, city and state.)

ST. LOUIS
POST-DISPATCH
SLMO

Date: 8/23/74

Edition:

Author:

Editor:

Title: MORRIS SHENKER,
aka

Character: WPPDA

or

Classification:

Submitting Office: SL

☒ Being Investigated

156-20-221

SEARCHED INDEXED
SERIALIZED FILED

AUG 27 1974

The offer of Shenker to acquire all of Continental Connector stock is dependent upon his obtaining financing. Yesterday, he said some of the \$16,400,000 needed to acquire all of Continental Connector stock had been arranged and that he did not expect any problem in arranging for the remainder of the money.

He declined to disclose the source of his financing.

The acquisition of Continental Connector also is subject to



Morris A. Shenker
Wants Las Vegas casino

approval of the Nevada Gaming Commission, which is expected to consider Shenker's application for a license to operate the Dunes casino next

month.

Continental Connector stock is not listed on either the New York or American Stock Exchange. It was removed from the Amex after a subsidiary filed false statements in an attempt to acquire another Las Vegas casino.

In addition to the Dunes Hotel and a shopping center in Las Vegas, Continental Connector owns Western Transportation, a trucking firm with terminals in Illinois and Iowa. The company produces precision electronic connectors used in communications, military and data processing equipment. Its plant and headquarters are in Woodside, N.Y.

Shenker was part of an investing group which bought 20 per cent of Continental Connector in 1972.

I.J.K. Nevada became wholly-owned by Shenker upon the recent settlement of the estate of Irvin J. Kahn, a California business associate of Shenker. Prior to the settlement, Shenker owned less than 50 per cent of I.J.K. Nevada.

(Mount Clipping in Space Below)

Federal grand jury investigating Shenker's financial affairs

(Indicate page, name of newspaper, city and state.)

Pg. 1A, St. Louis
Globe-Democrat,
St. Louis, Mo.By ROBERT H. TEUSCHER
Globe-Democrat Staff Writer

A federal grand jury in St. Louis is investigating the complex financial affairs of St. Louis attorney Morris A. Shenker, The Globe-Democrat has learned.

A Nevada gaming official has been subpoenaed to appear before the grand jury with all records pertaining to Shenker, according to Nevada officials.

The subpoena was issued by an Organized Crime Strike Force grand jury.

Liam Coonan, who heads the strike force here, declined comment on the extent of the inquiry, saying he does not discuss matters before a grand jury.

THE NEVADA Gaming Board has been conducting a month-long investigation of Shenker to determine his suitability to hold stock in a casino. A Nevada official said seven agents are working full-time investigating Shenker's business ventures.

To comply with gaming regulations, Shenker had to submit detailed financial statements to the gaming board. These are the records the grand jury has subpoenaed, a Nevada official said.

The gaming board's investigation still is not complete.

Its investigation was prompted when Shenker became a major stockholder in the Dunes Hotel and Casino through purchase of stock in an affiliated corporation.

SHENKER IS seeking to buy complete control of the Dunes, but the stock purchase offer can't be executed until the gaming board finishes its investigation.

The Globe-Democrat previously disclosed the grand jury is investigating the role Shenker, his former stockbroker, Edward A. White, and Ivan Ezrine, a New York attorney convicted of a felony, played in the sale and resale of allegedly forged securities.

More than half the \$1 million in securities, which a federal agency and the head of the corporation which allegedly issued them say are worthless, were sold to Steamfitters Local 562 and then to a corporation owned by Shenker.

Shenker has denied there was anything improper in the transactions.

THE GAMING board's investigation had been held up by the death last September of Irvin J. Kahn, a California developer, in-

vestor in Nevada casinos and business partner of Shenker.

In settlement of many claims by Shenker against Kahn's multimillion dollar estate, which also involved \$143 million in loans from the Teamsters Central States Pension Fund to Kahn-Shenker corporations, Shenker took over some of Kahn's corporations, probate records show.

Date: 8/22/74
Edition:
Author:
Editor:
Title:

Character:
or
Classification: 92-538
Submitting Office:

☐ Being Investigated

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156-207
42-538
SEARCHED INDEXED
SERIALIZED FILED
AUG 27 1974

Copies in
92-2088
87-21177

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS (156-20)

DATE: 9/11/74

FROM : SA [REDACTED]

b6
b7C

SUBJECT: MORRIS A. SHENKER, aka
ETAL
WPPDA;
OOJ - PERJURY
OO: SL

On 9/5/74 SL Strike Force Attorney [REDACTED] made available to the writer a copy of a letter dated 8/29/74 [REDACTED]

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[REDACTED] This letter pertained to a FGJ subpoena which had previously been served upon [REDACTED]

A copy of this letter is attached and is self-explanatory.

It was noted that in the letter, [REDACTED] stated [REDACTED]

The writer told [REDACTED] that this would not be possible without prior Bureau permission.

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The contents of this letter were then discussed with ASAC ROBERT J. MCCARTHY by the writer and it was pointed out to him that [REDACTED]

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[REDACTED] were not felt by the writer to be pertinent to the various investigations currently under way by the SL Division; and for that reason, it was not felt that an Agent from the SL FBI Office should travel to Las Vegas as described in the letter.

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It should be noted that [REDACTED] has advised that this subpoena for the [REDACTED] was served primarily to [REDACTED]



TRP:jet
(1)

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

156-20-229

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 12 1974	
FBI - ST. LOUIS	

120

b3

SL 156-20



b3

'The above information is being submitted to this
file for informational purposes.

SAC, ST. LOUIS [REDACTED] (P)

9/16/74

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SA [REDACTED]

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b2
b7D

Captioned informant contacted on 9/9/74 and supplied the following information:

He has not been able to develop any additional information as yet regarding [REDACTED] however, will continue his attempts to do so.

Informant stated that there are many rumors flying around the St. Louis business community that hoodlum attorney MORRIS SHENKER is trying desperately to complete his acquisition of the Dunes Hotel and Casino in Las Vegas, Nevada. Informant stated that other companies owned by SHENKER in southern California that SHENKER obtained after the death of IRVIN J. CAHN are in desperate financial trouble and are on the verge of going bankrupt. Informant stated that word is out that if SHENKER can complete the Dunes acquisition, he will merge the Dunes and the other companies into one large corporation and then use the proceeds of the Dunes to offset the loss of the other companies. He would also use the loss from the other companies as tax write-offs against the proceeds of the Dunes.

Informant stated further that he has heard that SHENKER is almost out of sources to obtain financing to keep the California companies operating and if the Dunes deal does not close soon, the California companies will probably be forced into bankruptcy by their creditors.

Informant further stated that the only roadblock to date to SHENKER closing the Dunes deal is the failure of the Nevada Gaming Control Board to issue SHENKER a gambling license.

ADMINISTRATIVE

Informant not contacted since 7/24/74 due to case Agent's absence from the St. Louis Division and reluctance to meet with alternate Agent.

5 St. Louis (1 - 92-2088)
TRP:gas (5) (1 - 156-20) (1 - 92-828)

b6
b7C

F B I

Date: **SEPTEMBER 19, 1974**Transmit the following in PLAINTEXT
(Type in plaintext or code)Via TELETYPE NITEL
(Priority)

TO : LAS VEGAS (156-25)

FROM : ST. LOUIS (156-20)

MORRIS A. SHENKER, AKA; ETAL; WPPDA; OOJ; PERJURY. OO ST. LOUIS.

RE LAS VEGAS AIRTEL TO ST. LOUIS AUGUST 28, 1974, ~~XXXXXXXXXX~~ON SEPTEMBER 18, 1974, ST. LOUIS STRIKE FORCE ATTORNEY
SILLS REQUESTED THAT BUAGENTS CONTACT AND ARRANGE FOR SHIPMENT OF SUBPOENAED TO ST. LOUIS FOR REVIEW BY STRIKE FORCE AND FGJ.STRIKE FORCE HAD PREVIOUSLY TOLD THAT BUAGENT WOULD
TRAVEL TO LAS VEGAS TO REVIEW THOSE , HOWEVER, STRIKE FORCE NOW
DESIRES SHIPMENT OF TO ST. LOUIS.LAS VEGAS CONTACT AND ARRANGE FOR SHIPMENT OF
REFER TO ST. LOUIS STRIKE FORCE IF ANY QUESTIONS ARISE.

END.

TRP:gmf
(1) *gmf*

(12)

156-20-232
SEARCHED _____
SERIALIZED _____
INDEXED _____
FILED _____Approved: *W. H.*
Special Agent in ChargeSent *6:22 p* MPer *g*

INSTRUCTIONS

1. This form may be submitted in legible hand printing.
2. Use separate form for each individual on whom record is requested.
3. Make effort to furnish FBI identification number, law enforcement identification number, or military service number.
4. Furnish descriptive data and fingerprint classification only when FBI number not available.
5. Indicate office for reply in lower right corner only. Also list in lower right corner all offices which should receive copies of available records. Include carbon of FD-9 for each office receiving copies and forward with original to Bureau.
6. Do not fill in block in lower left corner.

To: DIRECTOR, FBI Attention: Identification Division Date 9-9-74

Re MORRIS A. SHENKER, aka;
ET AL
WPPDA; OOJ; PERJURY Field File No. 156-20

Furnish The Known Identification Record of the Following:

Name <u>MORRIS A. SHENKER</u>		FBI No. <u>0</u>				
Aliases " <u>MOE</u> " SHENKER " <u>MORRIE</u> " SHENKER <u>MOISCHE GREENBERG</u>		Other No. <u>SSAN - 488-44-4290</u>				
Sex <u>M</u>	Race <u>WT.</u>	Birth Date <u>1-10-07</u>	Birthplace <u>KALINUS, RUSSIA</u>	Residence <u>ST. LOUIS, MO.</u>		
Height <u>6'0"</u>	Weight <u>175</u>	Build <u>Med</u>	Hair <u>Grey</u>	Eyes <u>Grey</u>	Complexion <u>FAIR</u>	Age <u>67</u>

Fingerprint Classification

Scars, marks and tattoos

Also Furnish:

- ☐ Photo
☐ Fingerprints
☐ Handwriting Specimens

☒ Please check civil files
for any prints, also.

Identification Division's Reply

- ☒ On basis of information furnished,
unable to identify:

☒ Criminal Files ☒ Civil Files ☐ All Files

- ☐ Record Attached
☐ Photo Attached
☐ Photo Not Available
☐ Fingerprints Attached
☐ Handwriting Specimen Attached

Reply to:

WPP SAC, ST. LOUIS (156-20) - 223
(ATTN: [redacted])

Send Copies To:

SEARCHED ☒ INDEXED ☒
SERIALIZED ☒ FILED ☒
SEP 10 1974

[Redacted Box]

226 15 3 00 44 30

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b7C

NR 001 LV PLAIN

12:32 PM URGENT SEPTEMBER 25, 1974 AAH

TO ST LOUIS (156-20)

FROM LAS VEGAS (156-25) (P) PAGE (2)

MORRIS A. SHENKER, AKA; ET AL; WPPDA; OOJ; PERJURY, OO: ST.
LOUIS.

RE ST. LOUIS NITEL, SEPTEMBER 19, 1974.

[REDACTED] BOARD MEMBER, NEVADA GAMING CONTROL BOARD
(NGCB), CARSON CITY, ADVISED THIS DATE NGCB AFTER TELEPHONE
CONTACT BY [REDACTED] AND PERSONAL CONTACT BY NGCB
AGENT [REDACTED] WHO WAS IN ST. LOUIS, AUGUST 26-30, 1974,
WITH [REDACTED] STRIKE FORCE, ST. LOUIS, THAT FEDERAL AGENT,
PROBABLY IRS, WAS TO PROCEED TO NEVADA TO INTERVIEW NGCB AGENTS
AND REVIEW [REDACTED] STATED [REDACTED]
[REDACTED] NOT IN CONDITION FOR COURT PRESENTATION SINCE [REDACTED]

END PAGE ONE

*Strike Force
advise him Sills advised
and he will contact
NGCB*

*9/25/74
4:00 PM*

156-20-234

SEARCHED <i>7407</i>	INDEXED <i>7407</i>
SERIALIZED <i>7407</i>	FILED <i>7407</i>
SEP 25 1974	

LV 156-25

b3
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PAGE TWO

BY LETTER DATED AUGUST 29, 1974, TO [REDACTED]
USDC, EASTERN DISTRICT OF MISSOURI, ST. LOUIS, MISSOURI, [REDACTED]
POINTED OUT THAT TENTATIVE AGREEMENT REACHED BETWEEN HIMSELF
AND [REDACTED] REGARDING TRAVEL OF FEDERAL AGENT TO NEVADA TO
REVIEW [REDACTED] UNABAILABLE FOR CONTACT THIS
DATE. [REDACTED] ADVISED [REDACTED] WILL BE APPRISED OF REQUEST SET
OUT IN REFERENCED ST. LOUIS TELETYPE. [REDACTED] SUGGESTS STRIKE
FORCE, ST. LOUIS, CONTACT [REDACTED] PROMPTLY TO CLARIFY ARRANGEMENTS
FOR HANDLING OF [REDACTED]

END

FBI SL MAT CLR

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/19/74

[redacted] was contacted at his office on August 7, 1974 to determine if there had been any changes in his decision not to honor his previous agreement to make certain subpoenaed [redacted] available for review. [redacted] replied that on the advice of his attorney there would be no change in this attitude and that [redacted] would only be produced in front of a Federal Grand Jury.

He was questioned further as to the reasons for the change from his previous agreement to make [redacted] available and he refused to answer that.

He was asked specifically if MORRIS SHENKER had ordered him not to produce [redacted]. He also refused to answer that question and at that point the interview was terminated.

Interviewed on 8/7/74 at San Diego, California File # SL 156-20-235
by SA [redacted] *Taw* *P* TRP: jet Date dictated 8/13/74

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/16/74b3
b6
b7C

Three Federal Grand Jury subpoenas duces tecum
were served upon [REDACTED]

[REDACTED] A separate subpoena
for [REDACTED] was served upon [REDACTED]
office located at [REDACTED]

These subpoenas called for the appearance before
the Federal Grand Jury at St. Louis, Missouri on August 20,
1974 at 10:00 a.m. and to produce [REDACTED]

[REDACTED]

These subpoenas were served upon [REDACTED] in the
presence of [REDACTED] an attorney at law who stated that
he was representing [REDACTED] in this matter.

Interviewed on 8/6/74 at San Diego, California File # SL 156-20-236
by SA [REDACTED] TRP:jet Date dictated 8/12/74

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SL 156-20

At the time the subpoenas were served it was explained to [] that Special Agent [] had traveled to San Diego, California from St. Louis, Missouri to review the [] called for in the subpoenas on behalf of the Federal Grand Jury in light of a previous agreement with [] wherein he would make those [] available in lieu of an FGJ appearance.

Attorney [] interrupted at this point and stated that [] would no longer make the subpoenaed [] [] available for review but would instead turn them over to the FGJ at St. Louis on August 20, 1974. [] further stated that they were not about to let anyone come in and go through []

It was pointed out to [] that [] acting as the custodian of [], had previously agreed to make them available for review in San Diego and [] was questioned as to the reasons why the sudden change in attitude. [] would not provide an explanation for this change. However, he did state that he and his client would discuss the matter that evening and if there were any changes, the interviewing Agents would be so advised on the morning of August 7, 1974.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE ST. LOUIS	OFFICE OF ORIGIN ST. LOUIS	DATE 10/2/74	INVESTIGATIVE PERIOD 8/6/74 - 10/2/74
TITLE OF CASE MORRIS A. SHENKER, aka; IRVIN JULIUS KAHN (DECEASED); PIPEFITTERS UNION LOCAL 562 WELFARE AND PENSION FUNDS ST. LOUIS, MISSOURI; [REDACTED]		REPORT MADE BY SA [REDACTED]	TYPED BY vls
		CHARACTER OF CASE WPPDA; PERJURY; OOF	

REFERENCE: St. Louis report of SA [REDACTED] dated 8/5/74.

- P -


ENCLOSURES

Enclosed for San Diego is the original and copy of a Federal Grand Jury subpoena for [REDACTED]

ADMINISTRATIVE

On 8/9/74, St. Louis Strike Force Attorney [REDACTED] advised that a FGJ Subpoena was being issued to the [REDACTED]
[REDACTED] stated that he had received information that SHENKER is

ACCOMPLISHMENTS CLAIMED				<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES		
						PENDING OVER ONE YEAR <input type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO OVER SIX MONTHS <input type="checkbox"/> YES <input type="checkbox"/> NO

APPROVED	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:			
3 - Bureau (156-557) 1 - USA, St. Louis 1 - AIC, St. Louis Field Office 2 - San Diego (156-5) (Enc. 2) 2 - St. Louis (156-20)			
Dissemination Record of Attached Report		Notations	
Agency			
Request Recd.			
Date Fwd.			
Fwd.			

156-20-257

SEARCHED
SERIALIZED
INDEXED
FILED

SL 156-20

applying much pressure to the Gaming Commission for a license in connection with SHENKER's acquisition of the Dunes Hotel and Casino in Las Vegas.

On 8/20/74, the Las Vegas Division advised that the above subpoena had been served upon [REDACTED]

[REDACTED] advised that he will be in contact with St. Louis Strike Force Attorneys regarding the furnishing of pertinent [REDACTED]

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As the Bureau is aware, St. Louis case Agent traveled to San Diego, Calif. on 8/6/74 to subpoena and review [REDACTED] located there. As set out in details, [REDACTED]

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[REDACTED] refused to make these [REDACTED] available for review to anyone other than the FGJ. In view of that fact, the assistance of [REDACTED] was not utilized at that time in the review of these [REDACTED] [REDACTED] had previously agreed to cooperate with the FBI in this matter and has stated that the [REDACTED] being subpoenaed would show [REDACTED]

[REDACTED] had also previously stated that the [REDACTED]

Arrangements have been made with [REDACTED]

[REDACTED] for [REDACTED] to travel to St. Louis the week of 10/21/74 to point out the above information in [REDACTED] As set out in details, these [REDACTED] were turned over to the FGJ at St. Louis on 8/20/74. [REDACTED] has been unable to travel to St. Louis prior to this time due to [REDACTED]

[REDACTED] has stated that he desires to keep his cooperation confidential and would prefer to travel to St. Louis in response to an appropriate subpoena. St. Louis Strike Force Attorneys have issued such a subpoena calling for [REDACTED] appearance in St. Louis on 10/22/74.

SL 156-20

On 9/9/74, [] advised the case Agent that there are many rumors flying around the St. Louis business community that hoodlum attorney MORRIS SHENKER is trying desperately to complete his acquisition of the Dunes Hotel and Casino in Las Vegas, Nevada. Informant stated that other companies owned by SHENKER in southern California that SHENKER obtained after the death of IRVIN J. KAHN are in desperate financial trouble and are on the verge of going bankrupt. Informant stated that word is out that if SHENKER can complete the Dunes acquisition, he will merge the Dunes and the other companies into one large corporation and then use the proceeds of the Dunes to offset the loss of the other companies. He would also use the loss from the other companies as tax write-offs against the proceeds of the Dunes.

Informant stated further that he has heard that SHENKER is almost out of sources to obtain financing to keep the California companies operating and if the Dunes deal does not close soon, the California companies will probably be forced into bankruptcy by their creditors.

Informant further stated that the only roadblock to date to SHENKER closing the Dunes deal is the failure of the Nevada Gaming Control Board to issue SHENKER a gambling license.

LEADS

SAN DIEGO DIVISION

AT SAN DIEGO, CALIFORNIA:

Will serve enclosed subpoena upon []

ST. LOUIS DIVISION

AT ST. LOUIS, MISSOURI:

1.) Will continue review of [] produced to FGJ regarding [] and thereafter conduct any appropriate investigation.

SL 156-20

2.) Will continue tracing of disbursement of Pipefitters loan funds to SHENKER-owned companies.

3.) Will maintain liaison with St. Louis Strike Force Attorneys and continue efforts to have them render prosecutive opinion re OOI and PERJURY violations by [REDACTED]
[REDACTED]

D*
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
Federal Bureau of Investigation

Copy to:

1 - U. S. Attorney, St. Louis, Missouri
1 - AIC, St. Louis Field Office

Report of:

SA [REDACTED]

Office:

ST. LOUIS

Date:

OCTOBER 2, 1974

Field Office File #:

SL 156-20

Bureau File #:

156-557

Title:

MORRIS A. SHENKER
IRVIN JULIUS KAHN (DECEASED);
PIPEFITTERS UNION LOCAL 562
WELFARE AND PENSION FUNDS
ST. LOUIS, MISSOURI

Character:

[REDACTED]

Synopsis:

WELFARE AND PENSION PLANS DISCLOSURE ACT; PERJURY;
OBSTRUCTION OF JUSTICEOn 8/6/74, FGJ Subpoenas served upon [REDACTED]
Custodian of Records for [REDACTED]
[REDACTED]
[REDACTED] Subpoena called for [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] On 8/20/74, [REDACTED]
produced [REDACTED] to FGJ at SL. Newspaper
clippings set forth re financial problems being
experienced by SHENKER and above three San Diego
companies and his efforts to merge these companies
with holding company for Dunes Casino, Las Vegas,
Nevada. St. Louis Strike Force Attorneys still
undecided re prosecution of [REDACTED] and
[REDACTED] Subpoena served upon [REDACTED]
[REDACTED] on 10/2/74 for [REDACTED]
[REDACTED]
[REDACTED] Investigation continuing.b3
b6
b7c

DETAILS:

SL 156-20

AT ST. LOUIS, MISSOURI:

On August 20, 1974, [redacted] appeared before the Federal Grand Jury for the Eastern District of Missouri and produced [redacted]

[redacted] in response to a Federal Grand Jury Subpoena duces tecum which had been previously served upon him. The following is [redacted] produced by [redacted]

SL156-20

On August 22, 1974 and August 23, 1974, the following newspaper articles appeared in St. Louis area newspapers regarding MORRIS A. SHENKER:

(Mount Clipping in Space Below)

Federal grand jury investigating Shenker's financial affairs

By ROBERT H. TEUSCHER
Globe-Democrat Staff Writer

A federal grand jury in St. Louis is investigating the complex financial affairs of St. Louis attorney Morris A. Shenker, The Globe-Democrat has learned.

A Nevada gaming official has been subpoenaed to appear before the grand jury with all records pertaining to Shenker, according to Nevada officials.

The subpoena was issued by an Organized Crime Strike Force grand jury.

Liam Coonan, who heads the strike force here, declined comment on the extent of the inquiry, saying he does not discuss matters before a grand jury.

THE NEVADA Gaming Board has been conducting a month-long investigation of Shenker to determine his suitability to hold stock in a casino. A Nevada official said seven agents are working full-time investigating Shenker's business ventures.

To comply with gaming regulations, Shenker had to submit detailed financial statements to the gaming board. These are the records the grand jury has subpoenaed, a Nevada official said.

The gaming board's investigation still is not complete.

Its investigation was prompted when Shenker became a major stockholder in the Dunes Hotel and Casino through purchase of stock in an affiliated corporation.

SHENKER IS seeking to buy complete control of the Dunes, but the stock purchase offer can't be executed until the gaming board finishes its investigation.

The Globe-Democrat previously disclosed the grand jury is investigating the role Shenker, his former stockbroker, Edward A. White, and Ivan Ezrine, a New York attorney convicted of a felony, played in the sale and resale of allegedly forged securities.

More than half the \$1 million in securities, which a federal agency and the head of the corporation which allegedly issued them say are worthless, were sold to Steamfitters Local 562 and then to a corporation owned by Shenker.

Shenker has denied there was anything improper in the transactions.

THE GAMING board's investigation had been held up by the death last September of Irvin J. Kahn, a California developer, in-

vestor in Nevada casinos and business partner of Shenker.

In settlement of many claims by Shenker against Kahn's multimillion dollar estate, which also involved \$143 million in loans from the Teamsters Central States Pension Fund to Kahn-Shenker corporations, Shenker took over some of Kahn's corporations, probate records show.

SL 156-20

On September 18, 1974, St. Louis Strike Force Attorney In Charge [] advised that Strike Force Attorneys [] will now be handling all matters relating to MORRIS A. SHENKER and they are currently in the process of reviewing prior investigation of this matter.

b6
b7C

On the same date, Strike Force Attorney [] advised that no decision has yet been made regarding possible Federal prosecution of [] and [] regarding [] which had been subpoenaed by the St. Louis Federal Grand Jury.

b3
b6
b7C

AT WASHINGTON, D. C.

On September 12, 1974, the Identification Division of the Federal Bureau of Investigation was unable to locate any fingerprint record under the names of MORRIS A. SHENKER, MOE SHENKER, MORRIE SHENKER or MOISCHE GREENBERG.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/2/741

A Federal Grand Jury subpoena duces tecum was served upon [REDACTED]

[REDACTED] This subpoena called for [REDACTED]

b3
b6
b7C

Upon receipt of the subpoena, [REDACTED] stated that it would take him a few days to [REDACTED] and that he would be willing to turn [REDACTED] over to a Special Agent of the Federal Bureau of Investigation in lieu of a Federal Grand Jury appearance.

Interviewed on 10/2/74 at St. Louis, Missouri File # SL 156-20

by SA [REDACTED]
SA [REDACTED]

16*

TRP:vlg

Date dictated 10/2/74

b6
b7C

156-20-238

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 5 1974	
FBI - ST. LOUIS	

FEDERAL BUREAU OF INVESTIGATION

Date of transcription September 19, 1974

[redacted]
[redacted] was reinterviewed and provided the following information regarding his former employer, the Irvin J. Kahn Organization (IJKO):

[redacted] was questioned concerning [redacted]
[redacted]

[redacted] was further questioned regarding [redacted]
[redacted]

[redacted] could provide no further information and interview was concluded.

Interviewed on 9/9/74 at Oakland, California File # SF 156-43

by SA [redacted]:sgs Date dictated 9/13/74

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS (156-20)

DATE: September 30, 1974

FROM : SAC, SAN FRANCISCO (156-43) (RUC)

SUBJECT: MORRIS A. SHENKER, aka;
IRVIN JULIUS KAHN (Deceased);
Pipefitters Union
Local 652
Welfare and Pension Funds
St. Louis, Missouri;

[REDACTED]
WPPDA; PERJURY; OOJ
OO: ST. LOUIS

Re St. Louis report of [REDACTED], dated
8/5/74.

Enclosed for St. Louis are two (2) copies of an
FD-302 reflecting interview of [REDACTED]

② - St. Louis (Enc. 2)
1 - San Francisco
LLB:sgs
(3)

156-20-238

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 5 1974	
FBI - ST. LOUIS	

[REDACTED]



F B I

Date: 10/7/74

Transmit the following in PLAIN
(Type in plaintext or code)Via TELETYPE URGENT
(Priority)

TO: LAS VEGAS (156-25)

FROM: ST. LOUIS (156-20) (P)

MORRIS A. SHENKER, AKA; ET AL, WPPDA; PERJURY; OOJ. OO: ST. LOUIS
REURTEL DATED SEPTEMBER 25, 1974.

ST. LOUIS STRIKE FORCE ATTORNEY [REDACTED] TRAVELLING TO
LAS VEGAS, OCTOBER 8, 1974, TO PERSONALLY REVIEW [REDACTED]
[REDACTED] [REDACTED] PLANNING TO PHOTO-
STAT [REDACTED] FOR RETURN TO ST. LOUIS.

[REDACTED] HAS REQUESTED AVAILABILITY OF A LAS VEGAS BUAGENT FOR
ANY NECESSARY ASSISTANCE IN [REDACTED]

ST. LOUIS HAS PREVIOUSLY OBTAINED [REDACTED]
ON CONFIDENTIAL BASIS AND [REDACTED] EITHER DUPLICATE
INVESTIGATION ALREADY CONDUCTED BY ST. LOUIS OR WERE NOT PERTINENT
TO INSTANT MATTER.

LAS VEGAS REQUESTED TO EXTEND TO [REDACTED] ANY ASSISTANCE DEEMED
APPROPRIATE.

END.

TRP:vl
(1)
*[Signature]*156-20-240
SEARCHED
SERIALIZED
INDEXED
FILED
OCT 10 1974
FBI - ST. LOUIS
[REDACTED]03
Approved: *[Signature]*
Special Agent in Charge

Sent 5:25 M

Per *[Signature]*b3
b6
b7C
b7Db6
b7C

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS (156-20)

FROM : *RD/umb* SAC, SAN DIEGO (156-5) (RUC)

DATE: 10/11/74

SUBJECT: MORRIS A. SHENKER, aka;
IRVIN JULIUS KAHN (Deceased);
PIPEFITTERS UNION LOCAL 562
WELFARE AND PENSION FUNDS,
ST. LOUIS, MISSOURI;
[redacted]
WPPDA; PERJURY; OOJ

Rerep of SA [redacted] St. Louis, 10/2/74.

Enclosed for St. Louis is the executed subpoena for [redacted] a copy of which was served on [redacted] by SA [redacted] on 10/10/74. The subpoena calls for [redacted] appearance at room 430, 111 1/2 Market St., St. Louis, on 10/21/74. [redacted] advised that he had already made airline reservations to St. Louis for Monday, 10/21/74.

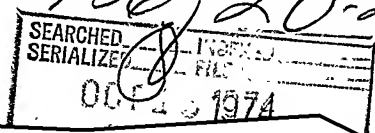
b3
b6
b7C

② - St. Louis (Enc 1)
1 - San Diego
LAW:ab
(3)

*Subpoena set-
to St. Louis Force
10-15-74 ⊕*



5010-108



b6
b7C

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (92-6054)

FROM : SAC, SAN DIEGO (92-229) (P)

SUBJECT: LA COSA NOSTRA (LCN) *??*
AK - CONSPIRACY
(OO: New York)

DATE: 9/26/74

Re San Diego letter to the Bureau dated 6/17/74.

BELOW INFORMATION SHOULD BE HANDLED IN A MOST CIRCUMSPECT MANNER AND UNLESS SOURCE IS WELL CONCEALED, REPORTED ONLY ON THE ADMINISTRATIVE PAGES OF THE REPORT IN WHICH IT IS USED. SUCH INFORMATION FROM THIS INFORMANT IS NOT TO BE DISCLOSED OUTSIDE THE BUREAU AS IT MIGHT COMPROMISE THE INFORMANT AND PLACE HIM IN JEOPARDY.

The following information was received from [redacted] regarding LCN members and hoodlum associates:

b2
b7D

- 3 - Bureau (RM)
 - (2 - 92-6054)
 - (1 - [redacted])
- 1 - Boston (Info) (RM)
- 2 - Chicago (RM)
- 2 - Cleveland (RM)
- 2 - Denver (RM)
- 2 - Detroit (RM)
- 1 - Kansas City (Info) (RM)
- 2 - Las Vegas (RM)
- 2 - Los Angeles (RM)
- 2 - Milwaukee (RM)
- 2 - Miami (RM)
- 2 - Newark (RM)
- 1 - New Orleans (Info) (RM)
- 3 - New York (RM)
 - (2 - 92-2300)
 - (1 - [redacted])
- 2 - Phoenix (RM)
- 1 - Sacramento (Info) (RM)
- ② - St. Louis (RM)
- 2 - San Francisco (RM)
- 2 - Tampa (RM)
- 3 - San Diego
 - (2 - 92-229)
 - (1 - [redacted])

*only pertinent pages
contained herein*

156-20 - 243

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 2 1974	

[redacted]

b6
b7C

b2
b7D

JD:thk
(20)

Accordingly, [redacted] met with [redacted]
whom he described as [redacted]
[redacted] was accompanied by [redacted]
[redacted] told the informant [redacted]

b6
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b7D
b2

After learning of [redacted] hoodlum connections,
[redacted] and told the informant [redacted]

[redacted] claimed that through [redacted]
[redacted] owned by [redacted] thought it was a [redacted]
[redacted] home telephone is [redacted] admitted
contacting [redacted] along with [redacted] but claimed the
whole thing was just a misunderstanding.

Informant advised he made inquiries through the
SICA gang and learned that [redacted] and [redacted] were
working with [redacted] and [redacted]
[redacted] aka [redacted] and that they were attempting to
[redacted] and others.

b6
b7C
b7D

[redacted] later called the informant, indicating

The informant reported this to [redacted]
[redacted]
[redacted] and the informant.

4. MORRIS SHENKER

b6
b7C
b7D

Informant advised on 7/22/74 he was contacted

by [redacted]
[redacted]
[redacted] according to the informant, [redacted]
[redacted]
[redacted] told the informant about [redacted]
[redacted] and wanted the informant to contact [redacted]
[redacted]

SD 92-229

Informant went to Murrieta Hot Springs, Riverside County, California, owned by SHENKER. [redacted]

[redacted] telephone [redacted] is working as a [redacted] to SHENKER. [redacted] indicated he was well acquainted with St. Louis LCN Boss TONY GIARDANO, as is SHENKER, who is a St. Louis attorney. Informant [redacted] the information sent by [redacted] [redacted] set up a meeting with SHENKER. Those in attendance included the informant.

[redacted]
(Informant advised that the LCN family.) [redacted]

Informant explained that [redacted] LCN [redacted] spends much time at Murrieta Hot Springs, where [redacted] is residing.

Informant advised that [redacted]

[redacted] Informant also doubts [redacted]

Informant advised that SHENKER appears to be losing a great deal of money at Murrieta Hot Springs being run by [redacted] SHENKER took over control of Murrieta when his partner, IRVIN KAHN of San Diego, died. Murrieta is being financed through money loaned by the St. Louis Steam Fitters Union. Informant advised that [redacted]

SD 92-229

[redacted]
[redacted] Informant advised that [redacted]
[redacted]
[redacted]

told the informant that [redacted]
[redacted]

Informant advised that [redacted]
[redacted]
[redacted]

[redacted] told the informant that [redacted]
[redacted]

[redacted] also told the informant [redacted]
[redacted]

[redacted] The informant
could not make a good identification of [redacted] but
believed he might be [redacted]
[redacted]

Informant advised that [redacted]
[redacted]
[redacted]

[redacted] told the informant that [redacted]
[redacted]

[redacted] told the informant that [redacted]
[redacted]

5. [redacted]
[redacted]
[redacted]

SD 92-229

III. DENVER DIVISION

On 7/17/74, informant advised that [redacted]

[redacted]
[redacted] He told
the informant [redacted]

Informant advised on 8/19/74, [redacted]

[redacted] home address
[redacted] home telephone
[redacted] business telephone [redacted] They

On 8/20/74, informant [redacted]

[redacted] told the informant [redacted]

[redacted] told the informant [redacted]

[redacted] told the
informant that if [redacted]

[redacted] also told the informant

SD 92-229

[redacted]
[redacted] told the informant that [redacted]
[redacted]
[redacted] told the informant that [redacted]
[redacted]
[redacted] also told the informant [redacted]
[redacted]

Informant advised [redacted]

[redacted]
[redacted] Informant advised that
[redacted]
[redacted] Informant later
[redacted]

Informant advised [redacted]

[redacted]
[redacted] told the informant
[redacted]
[redacted] told the informant
[redacted]

SD 92-229

[redacted] told the informant that [redacted]
[redacted]

Informant advised on 8/13/74 [redacted]
[redacted]

[redacted] The informant was not sure if they were talking
[redacted] Informant
had the impression [redacted]
[redacted]

On 9/12/74, informant [redacted]
[redacted]

[redacted] told the informant [redacted]
[redacted]

Informant advised on 9/20/74 [redacted]
[redacted]

IX. PHOENIX DIVISION

Informant advised that on 7/17/74, [redacted]
[redacted]

Informant advised on 9/4/74 that [redacted]
[redacted]

[redacted] told the informant [redacted]
[redacted]

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

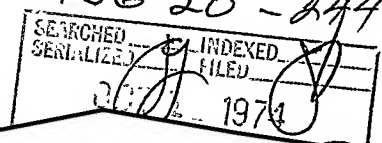
TO :
Special Agent, FBI

DATE: October 15, 1974
KFS:rh

FROM :
KFS Special Attorney
St. Louis Strike Force

SUBJECT: - 74-0476

I request that you have all materials concerning any possible offenses by available for a meeting on Thursday, October 31, 1974 at 1:30 p.m. in my office.



10/15/74

AIRTEL

TO: SAC, CHICAGO (92-3662)
FROM: SAC, ST. LOUIS (92-2088) (P)

MORRIS A. SHANKER, aka
Reischo Greenberg,
Morris Shanker,
Bob Shanker
RR
OO: ST. LOUIS

Enclosed for each receiving office is an original and one copy of a Federal Grand Jury Subpoena Duces tecum addressed to [redacted] as set out in last section of this communication.

b3

For information of offices previously not in receipt of same, subject is a prominent St. Louis Attorney, who has for years represented various major hoodlum figures around the country. SHANKER has been the subject of numerous organized crime investigations by St. Louis and is currently under investigation regarding his organized crime affiliations.

One such investigation relates to his involvement in the sale and transportation of \$600,000 worth of forged Swiss Stock Certificates from the hoodlum dominated St. Louis

- 2 - Chicago (Enc. 2)
- 2 - Kansas City (Enc. 2)
- 2 - Milwaukee (Enc. 2)
- 2 - Newark (Enc. 2)
- 2 - New Haven (Enc. 2)
- 4 - St. Louis
 - (2 - 92-2088)
 - (1 - 07-21177)
 - (1 - 156-20)

TRD:vlb
(14)

156-20-245
SEARCHED
SERIALIZED
INDEXED
FILED

b6
b7c

SL 92-2088

Pipefitters Union Local 562 Pension Fund and a company known as BAI, Inc., located in San Diego, California. SHENKER is also under investigation in a WRPDA Matter, Office of Origin St. Louis, in view of the fact that he has negotiated multi-million dollar loans from the Pipefitters Union Pension Fund for BAI and two other San Diego based companies. At the time these loans were made, SHENKER was an Attorney for the Pipefitters Union. Shortly after the loans were made SHENKER obtained a partial ownership interest in the companies and in late 1973, he acquired full ownership upon the death of the other partner, IRVIN J. KAHN.

SHENKER has been the Chief Attorney for convicted Teamster President JAMES R. HOFFA and at the same time he was representing HOFFA, he was able to negotiate over \$200,000,000 in loans from the Teamsters Union Central States Pension Fund, Chicago, Illinois. The majority of these loans are credited to operations in San Diego, California and Las Vegas, Nevada.

It has also recently been learned that SHENKER has acquired controlling interest in the Dunes Hotel and casino Las Vegas, Nevada which is one of the major Hotel-Casino operations on the Las Vegas Strip.

All investigations regarding SHENKER are presently being coordinated by the St. Louis Division and liaison is being maintained with the St. Louis Organized Crime Strike Force, who will prosecute any violations developed.

It has recently been learned that SHENKER was the subject of a background investigation conducted by [REDACTED]

[REDACTED] This company is a Nation Wide Corporation which specialized in insurance investigations. [REDACTED] were obtained by FGI Subpoena on 10/2/74 and a review of those [REDACTED] indicate that [REDACTED]

[REDACTED] The reason for this insurance coverage is unknown to St. Louis Division and the details of the insurance policies are also unknown.

b3
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b7C

SL 92-2088

In order to determine the above information, as well as to determine if any fraudulent statements may have been made to these insurance companies through the use of interstate facilities, Federal Grand Jury Subpoenas have been issued by St. Louis Strike Force Attorneys calling for [REDACTED]

b3

LEADS

All receiving offices will serve enclosed subpoenas [REDACTED] located within your Division. It will be noted that each subpoena states that [REDACTED] called for in the subpoena may be turned over to a Bureau Agent in lieu of a FGJ appearance. If the [REDACTED] decide to do so, [REDACTED] must be made available for transmittal to St. Louis in time to be presented to the FGJ on the appearance date listed in the subpoena. If the [REDACTED] desire not to turn over [REDACTED] [REDACTED] must appear before the FGJ at St. Louis, Missouri on the date indicated by the subpoena.

CHICAGO DIVISION

AT CHICAGO, ILLINOIS:

[REDACTED]

KANSAS CITY DIVISION

AT KANSAS CITY, MISSOURI:

[REDACTED]

b3

MILWAUKEE DIVISION

AT MILWAUKEE, WISCONSIN:

[REDACTED]

SL 92-2088

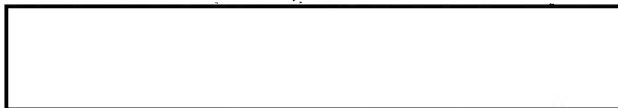
NEWARK DIVISION

AT SADDLE BROOK, NEW JERSEY:



NEW HAVEN DIVISION

AT HARTFORD, CONNECTICUT:



SAC, ST. LOUIS (92-2088) (P*)

10/29/74

SA [REDACTED]

b6
b7C

MORRIS A. SHENKER

AR

OO: ST. LOUIS

On 10/24/74, [REDACTED]

[REDACTED] telephonically advised the writer that [REDACTED] had just learned that captioned subject received a written commitment letter from the Teamsters Union Central States Pension Fund dated 10/4/74. This commitment letter stated that this Pension Fund was agreeing to make a temporary and a permanent loan to SHENKER in the amount of \$17,104,000 to enable him to purchase the remaining outstanding stock in the Dunes Hotel and Casino in Las Vegas, Nevada.

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[REDACTED] stated that he did not feel that [REDACTED] would be conducting any investigation into this matter inasmuch as it was quite common for the Teamsters to loan money to various individuals engaged in the operation of Las Vegas Casinos. [REDACTED] stated that he was providing this information to the FBI on a confidential basis and he requested that his identity as the source of this information be protected.

2 - St. Louis
(1 - 92-2088)
(1 - 156-20)
TRP:us
(2)

156-20-246
[REDACTED]

b6
b7C

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS (156-20)(P)

DATE: 11-7-74

FROM : SA [REDACTED]

SUBJECT: MORRIS A. SHENKER, AKA
ETAL
WPPDA; OOJ
PERJURY

On 10-31-74, writer held conference with
St. Louis Strike Force Attorney [REDACTED] re this matter.
[REDACTED] stated that he has plans to indict [REDACTED]
and [REDACTED] of San Diego, Calif. on or before 12-14-74.
[REDACTED] states that he plans to indict them for perjury
and conspiracy to obstruct justice, based upon [REDACTED]
[REDACTED] that had been subpoenaed by
St. Louis Federal Grand Jury conducting an investigation
regarding SHENKER.

LEAD

THE ST. LOUIS DIVISION

AT ST. LOUIS, MO.:

Will maintain contact with [REDACTED] regarding
indictment of [REDACTED] and [REDACTED]

2 - St. Louis

TRP:klb

2



5010-108-02

156-20-247
SEARCHED

INDEXED

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

F B I

Date: 11/7/74

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL
(Priority)

TO: SAC, ST. LOUIS (156-20)
FROM: SAC, LAS VEGAS (156-25) (P)
SUBJECT: MORRIS A. SHENKER, aka;
ET AL
WPPDA; PERJURY; OOJ
OO: St. Louis

Re Las Vegas tel, 9/25/74.

Enclosed herewith for St. Louis by separate
package are [redacted] furnished by [redacted][redacted]
on 11/7/74 to SA [redacted] in compliance with Federal
Grand Jury subpoena served on that agency previously.Inasmuch as these [redacted] were segregated by the
[redacted] prior to deliverance to SA [redacted] no
attempt was made to review or inventory same. They are being
furnished in condition as furnished by [redacted]
[redacted]Also enclosed with this airtel is a letter from
the [redacted] dated 11/6/74 to [redacted]
Department Attorney, St. Louis, which reflects that the
department owes the [redacted] for the
preparation of the subpoenaed [redacted]

③ - St. Louis (Enc. 1)
(1 - Package)
1 - Las Vegas
MBP/jd
(4)

b3
b6
b7Cb6
b7CApproved: VP/2

Special Agent in Charge

Sent _____

156-20-249
SEARCHED.....INDEXED.....



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

St. Louis, Missouri

November 16, 1974

MORRIS A. SHENKER
RACKETEER INFLUENCED AND
CORRUPT ORGANIZATIONS

Morris A. Shenker is a nationally-known attorney from St. Louis, Missouri, who has in the past acted as chief attorney for former Teamsters Union President James R. Hoffa. Additionally, articles appearing in Life magazine in recent years have depicted Shenker as a major attorney for numerous top level organized crime figures around the country. At the same time he was representing Hoffa, he was able to negotiate over \$200,000,000 in loans from the Teamsters Union Central States Pension Fund, Chicago, Illinois. The majority of these loans are credited to operations in San Diego, California and Las Vegas, Nevada.

The St. Louis Division of the Federal Bureau of Investigation (FBI) is currently conducting an extensive investigation into loans totaling 24 million dollars from the Pipefitters Union, Local 562, Pension Fund, St. Louis, Missouri, to three California companies wholly owned by Morris Shenker. Some of these loans were made to Murietta Hot Springs, a resort spa near Palm Springs, California, owned by Shenker. It has been determined through this investigation that other Pipefitters loan funds were diverted from the other companies receiving same to Murietta Hot Springs. The amount involved in this diversion currently appears to be in excess of three million dollars. That investigation is being conducted under the caption: "MORRIS A. SHENKER; IRVIN J. KAHN - DECEASED; PIPEFITTERS UNION LOCAL 562 PENSION FUND, ST. LOUIS, MISSOURI; WELFARE AND PENSION PLAN DISCLOSURE ACT". It has also been determined that Shenker and his law office have represented the Pipefitters Union in various matters for many years.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

156-20-250
SEARCHED
SERIALIZED *Am*
INDEXED
FILED *Am*

MORRIS A. SHENKER

During the investigation of these loans, certain [redacted] were subpoenaed from [redacted]

b3

The [redacted] were subsequently found and seized by search warrant in San Diego. Evidence has been developed indicating that the [redacted] [redacted] contacted Shenker immediately [redacted]

After reviewing [redacted] it was discovered that [redacted]

Investigation is also being conducted in a matter captioned [redacted] INTERSTATE TRANSPORTATION OF STOLEN PROPERTY, BANK FRAUD AND EMBEZZLEMENT, RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS, CONSPIRACY" wherein Shenker is also involved.

[redacted] who was recently [redacted]

b6
b7C

[redacted] is a New York attorney with prior felony stock fraud convictions. [redacted] was just recently again convicted of stock fraud and mail fraud in New York and is also under indictment in Pittsburgh, Pennsylvania on other racketeering charges.

[redacted] and was affiliated with companies known as [redacted]

MORRIS A. SHENKER

Acting through these companies, [] became acquainted with [] a company known as Swiss Enterprises with headquarters in Geneva, Switzerland.

[] and [] engaged in various financial transactions in an attempt to purchase a restaurant chain known as Steak and Shake. Steak and Shake was owned at that time by a company known as Longschamps, Incorporated of New York.

During these financial transactions, [] forwarded \$1,075,000 to [] and [] for use in completing the purchase of Steak and Shake. The transactions with Longschamp eventually collapsed and the sale was never completed. [] demanded the return of his money and he was given a series of checks by [] totaling \$750,000. These checks were dishonored by the bank upon which they were drawn in the United States due to insufficient funds. None of the money has ever been returned to []

It has also been determined that during the Steak and Shake transactions, [] and [] had a series of debenture certificates printed bearing the name of Swiss Enterprises Corporation. They utilized \$1,000,000 worth of these debentures by selling \$600,000 worth to the previously described Pipefitters Pension Fund in St. Louis. [] also used another \$400,000 worth of the debentures to obtain bank loans in the St. Louis area, which have since been defaulted upon.

[] has advised that [] and [] were not authorized to use these debentures in this manner. He has also advised that his signature as well as that of [] on the debentures, are not authentic and appear to be forgeries.

[] has admitted signing the names of [] and [] to the debenture certificates, however, he claims to have done so under the power of attorney given to him by both [] and []. [] has stated that he did give [] such a power of attorney, however, this power

MORRIS A. SHENKER

did not include the authority to sign the debentures. No evidence has yet been found to indicate that [] ever gave [] a power of attorney.

[] also used 10,000 shares of Swiss Enterprises Corporation common stock as collateral for a large loan at Tower Grove Bank, St. Louis, Missouri. These stock certificates bear the name of Marcell Schwob, who is a former director of Swiss Enterprises. Schwob is believed to have died sometime in 1970 or 1971. Submitted to this bank along with the Schwob stock certificates were Stock Transfer Powers allegedly signed by Schwob. It is unknown if the signature on these Stock Transfer Powers is authentic nor is it known if [] had the authority to use Schwob's stock in this manner.

It has been learned through investigation that when the Pipefitters Union discovered that their debentures were apparently no good, they contacted Morris Shenker rather than []. At that point in time, Shenker was negotiating one of the loans for one of his San Diego companies from the Pipefitters. On the same day that this company obtained its \$6.5 million dollar loan, it also purchased the worthless debentures from the Pipefitters. Former officials and employees of this company have advised that the purchase of the debentures was made a condition for obtaining the loan and Shenker personally transported the debentures from St. Louis to San Diego. These debentures have been seized and are now in the possession of the St. Louis FBI Office.

Shenker is currently attempting to acquire full ownership of the Dunes Hotel and Casino in Las Vegas, Nevada. In order to acquire such ownership, Shenker must be licensed by the Nevada Gaming Control Board. That Board has been conducting extensive investigation of Shenker's personal and financial affairs in order to decide whether a gaming license should be issued to him.

Officials of the Nevada Gaming Control Board have advised the St. Louis Division of the FBI that during their investigation, their investigators have discovered

MORRIS A. SHENKER

a situation which they feel should be brought to the attention of appropriate Federal investigative agencies. The following is a synopsis of this information:

Penasquitos, Incorporated, is a large residential and business development located immediately north of San Diego, California. The principal developer of Penasquitos has been Irvin J. Kahn, a long-time business associate of Shenker's who passed away in September, 1973. Prior to Kahn's death, he and Shenker were partners in Penasquitos. Shenker was successful in negotiating approximately \$200,000,000 in loans from the Teamsters Union Central States Pension Fund, Chicago, Illinois, for Penasquitos. After Kahn's death, the Teamsters Pension Fund acquired sole ownership of Penasquitos and is currently operating same.

The Teamsters Union Pension Fund, in granting the \$200,000,000 in loans to Penasquitos, placed several restrictions upon the use of the Pension Fund money by Penasquitos. Some of these restrictions prohibited Penasquitos from using any of the money for business transactions without the specific approval of the Teamsters Pension Fund. These restrictions specifically prohibited the lending of any of these loan funds to any other corporations by Penasquitos without Teamsters' approval. The Teamsters also required Penasquitos to submit monthly financial statements regarding the use and disposition of the loan funds.

In violation of these restrictions, Penasquitos loaned \$1,000,000 to another Shenker - Kahn company, Murietta Hot Springs. In order to circumvent the Teamsters' loan restrictions, a third corporation known as Horizons West, Incorporated, was chartered on December 15, 1972. On December 29, 1972, Horizons West issued a \$1,000,000 check to Murietta Hot Springs. Upon receipt of that check on the same day, Murietta Hot Springs issued a \$1,000,000 check to Penasquitos, thus removing the \$1,000,000 loan from the books of Penasquitos. On January 2, 1973, Penasquitos gave the \$1,000,000, via check, back to Murietta Hot Springs. On the same date, Murietta Hot Springs issued another \$1,000,000 check to Horizons West. On the day that

MORRIS A. SHENKER

Horizons West issued their check to Murietta, their balance at Valley Bank of Nevada was only \$88,000.

A complete audit of this transaction revealed that all of the checks involved cancelled each other out as they were processed through banking channels. It was noted that bank accounts for Murietta and Penasquitos were in San Diego, California, while the Horizons West account was in Las Vegas, Nevada.

During the period January, 1973 through September, 1973, Penasquitos increased its loans to Murietta from \$1,000,000 to as high as \$3,200,000. Penasquitos, through financial manipulations as described above, continued the practice of removing the Murietta loans from its books at the end of each month and again recording such loans in the first two days of the succeeding month. This practice continued through September, 1973.

Additional investigation by Gaming Control Board officials revealed that Penasquitos submitted its financial statements as required to the Teamsters Union Pension Fund during the brief two-day period during which the Murietta loan was technically off its books. These financial statements were mailed to the Teamsters Pension Fund in Chicago, Illinois, from Penasquitos, San Diego, California.

The Gaming Control Board also discovered that on December 31, 1972, the above financial manipulations were discovered by an auditor from the firm of Haskins and Sells, CPAs. This auditor was conducting a routine audit of the financial affairs of M and R Investment Company, Incorporated, which is another company with which Shenker is financially affiliated. This auditor confronted

[redacted] with the above-described manipulation and was told by [redacted]

[redacted]

The auditor also discovered that immediately after this confrontation, [redacted] contacted Morris Shenker and had [redacted] purchase Horizons West with a loan [redacted] obtained for him at the Valley Bank of Nevada. The documents recording this purchase by [redacted] were dated

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MORRIS A. SHENKER

December 15, 1972; however, [] admitted under oath to the Gaming Control Board on October 30, 1974, that the purchase did not actually take place until January, 1973. [] testified that both [] and Morris Shenker told him not to worry about the backdate of the purchase documents and thereafter he did not concern himself with same.

Nevada Gaming Control Board officials have stated that it appears that [] was used by [] and [] to assume liability for the financial manipulations previously described.

[] is an attorney working out of []
[] is a former St. Louis, Missouri, resident currently residing in Las Vegas, Nevada. [] formerly operating gambling junkets between St. Louis and Las Vegas and has been an associate of Shenker's for at least [] years.

In May, 1972, another Shenker - Kahn company was incorporated in Nevada. This company was named Sierra Charter Corporation and was created to develop a residential subdivision in northern Nevada.

In April, 1973, Sierra Charter petitioned the trustees of the Gardnerville Ranchos General Improvement District to undertake the issuance of bonds to finance the cost of public improvements in the Sierra Charter subdivisions. This same District was also requested to approve the annexation of certain tracts of land by Sierra Charter. This District is a quasi-governmental agency of which an individual named [] Members of [] family constitute the rest of the District's board of trustees.

Prior to the issuance of the improvement bonds, in an amount exceeding \$2,000,000, [] left Nevada on a [] The total cost of the tour - \$3,883.64 - was paid by Sierra Charter via a check signed

MORRIS A. SHENKERby [REDACTED]
[REDACTED]

The expenditure was charged as "entertainment expense" on the books of Sierra Charter.

It was later found that there had been a \$516.44 overpayment on the cost of the trip which was paid directly to [REDACTED]

After the improvement bonds were issued, Sierra Charter purchased a construction company owned by [REDACTED] at a price exceeding (by three times) the construction company's net assets. [REDACTED] was then hired as [REDACTED]
[REDACTED]

In addition to the above investigations the San Juan Division of the FBI is presently conducting an investigation captioned, "HELIO ISLA HOTEL, ANTI-RACKETEERING". In that investigation, it has been determined that Shenker played a major role in negotiating the purchase of that hotel and casino in San Juan, Puerto Rico by the St. Louis-based Chromalloy-American Corporation. Shenker is a stock-holder in that company and has acted as its attorney for many years. Shenker also appears to have been influential in obtaining the financing for the purchase by Chromalloy. Investigation has revealed that several major New York hoodlum figures appear to be exercising a great deal of influence over the hotel management in the operation of the hotel and casino.

11-16-74

AIRTEL

AIRMAIL

TO: DIRECTOR, FBI
FROM: SAC, ST. LOUIS (183-37) (P)
MORRIS A. SHENKER
RICO
OO: ST. LOUIS

Re St. Louis telecall to Bureau, 11-15-74.

Enclosed for the Bureau are an original and four copies of an LHM setting forth details of captioned matter and other investigations currently underway regarding captioned subject. Also enclosed for the Bureau is a newspaper clipping regarding subject from the St. Louis Post Dispatch, 11-14-74. One copy of the above LHM and news clipping is enclosed for each receiving field office.

As the Bureau is aware, St. Louis has been investigating subject extensively for over two years under WFPDA, ITSP, and Racketeering classifications. This investigation has been extremely complex and has dealt primarily with analyzing SHENKER's intricate financial affairs and top-level hoodlum affiliations across the country. The information set forth in the enclosed LHM is a direct result of this exhaustive investigation.

As set forth in the LHM, there are at least four major aspects of the investigation which are closely inter-related to each other. These are as follows:

- 4 - Bureau (Encl. 6)
 - (1 - 87-126697)
 - (1 - 156-557)
- 2 - Las Vegas (Encl. 2) (INFO)
- 2 - Los Angeles (Encl. 2) (INFO)
- 2 - San Diego (Encl. 2) (INFO)
- 5 - St. Louis (1 - 87-21177) (1 - 156-20)
- TRP:kib (1 - 22-2083) (2 - 183-37)

15

156-20-251
SEARCHED
SERIALIZED
INDEXED
FILED

SL 183-37

(1) Possible WPPDA, OOJ and Perjury violations involving the Pipefitters Pension Fund loans.

(2) Possible ITSP, BF&E, RICO and stock fraud violations involving the Swiss Enterprises transactions.

(3) Possible RICO and Mail Fraud violations involving the Horizons West - Penasquitos - Murietta Hot Springs "check-kiting" scheme.

(4) Possible RICO and ITAR - Bribery violations involving the Sierra Charter transactions.

Venue for these various violations presently appears to extend through numerous Federal judicial districts including New York, St. Louis, Las Vegas, Los Angeles and San Diego. It is anticipated that upon completion of this investigation, criminal violations will have been established in each of these jurisdictions.

Due to the extremely complex nature of the investigation, it is highly unlikely that auxiliary offices could be adequately provided with sufficient background details to enable them to thoroughly cover all leads that may be developed. That fact, along with the national prominence of SHENKER, and his top-level hoodlum affiliations, seems to dictate the necessity for more than the usual amount of continuity and discretion in the investigation.

It is thus recommended that the St. Louis case Agent, SA [] be allowed to personally conduct the major phases of the investigation in Nevada, Calif. and New York as same become necessary. In conjunction therewith, Bureau permission is requested for SA [] to travel to Las Vegas, Nevada on 11-24-74 and thereafter to Reno and Carson City, Nevada to establish direct liaison with Nevada Gaming Control Board officials regarding their investigation of SHENKER, and to initiate immediate investigation into the Horizons West and Sierra Charter aspects of the case. Bureau permission is also requested for SA [] to perform such other travel as may be dictated by the developments in the investigation. If approved,

SL 183-37

the Bureau will be advised in advance of any such travel.

It is further recommended that the Bureau, through its liaison with the Justice Dept. and Strike Force 18, Washington, D.C., determine the procedures that should be followed in obtaining subpoenas and other legal assistance that will obviously become necessary in the various judicial districts as this investigation progresses through its logical phases.

Additionally, the Bureau is requested to approve the issuance of specific instructions to any auxiliary office covering leads or providing investigative assistance in these matters to afford same expedite attention.

Re:

No leads being set forth for other receiving offices at this time, however, information copies being provided in view of future investigation to be conducted within those divisions.

11/26/74

AIRTEL

TO: SAC, SAN DIEGO (156-5)
FROM: SAC, ST. LOUIS (156-20) (P)
SUBJECT: MORRIS A. SHENKER, aka;
IRVIN J. KAHN (DECEASED);
[REDACTED]
ET AL
WPPDA; OOJ; PERJURY
OO: SL

Enclosed for San Diego are copies of 23 documents describing Deeds of Trust on certain parcels of property in San Diego County, California.

On 11/21/74, St. Louis Strike Force Attorney [REDACTED] advised that he is in the process of preparing an indictment against [REDACTED] relating to this matter. He stated that he would like to present this indictment to a Federal Grand Jury as soon as possible but would like certain investigation conducted prior to that presentation.

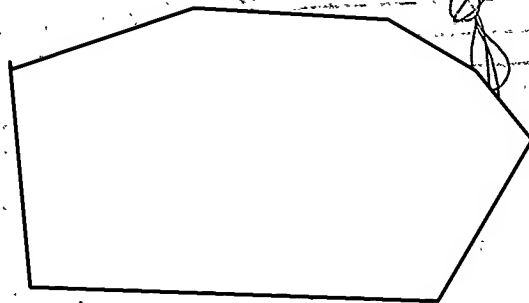
The leads set out below reflect the investigation requested by [REDACTED]

2 - San Diego (Enc - 23)
② - St. Louis
TRP:kmt
(4)

[Handwritten signature]

156-20-252

[Handwritten signature]



SL 156-20

SAN DIEGO DIVISION

AT SAN DIEGO, CALIFORNIA

(1) Will contact the Recorder's Office, San Diego County, California, and have title search done regarding all parcels of property listed on enclosed Deeds of Trust. This title search need not go back beyond the dates of the enclosed Deeds of Trust; however, the search should be conducted from the date these Deeds were recorded to the present.

(2) While conducting this title search, the exact dates of the recording or release of any liens or Deeds of Trust should be determined and copies of the documents recording same obtained.

(3) Determine exactly what liens and Deeds of Trust were on file for these properties on 12/28/71 (which is the date these properties were used to collateralize a 6.5 million dollar loan from the Pipefitters Union to a company called B.A.I.).

(4) Determine the sequence of filing of all Deeds of Trust or liens on these properties that were outstanding on or after 12/28/71 and whether they would be considered first, second, or third Deeds of Trust.

(5) Will re-interview [redacted] and determine if any indemnity agreements were issued to Title Insurance and Trust Company regarding the "write overs" on the above parcels of property. Obtain copies of these indemnity agreements.

(Mount Clipping in Space Below)

The Case for Morris Shenker

St. Louisan Morris Shenker, a nationally known attorney, has been treated in cavalier fashion by officials of the Nevada Gaming Control Board.

Shenker is seeking a gaming license in Nevada and with it approval to acquire full control of The Dunes, a hotel-casino.

To satisfy Nevada authorities, Shenker is being obliged to prove his innocence of unfounded accusations made against him in print. It's a discouraging situation when a quasi-judicial body appears to rely on rumors rather than facts when making a decision, but that's the approach the Nevada board apparently is taking.

Shenker has been a controversial figure because of the nature of his criminal law practice and because of his political connections. He has withstood repeated and searching scrutiny by police, Internal Revenue and the FBI. No grand jury has ever taken action against him. Nor has he ever been disciplined by the bar.

Some of Shenker's current difficulties, Nevada authorities say, stem from an article in the now defunct Life magazine. The article was written by Denny Walsh, a former Globe-Democrat reporter. It contained allegations against Shenker and former Mayor A. J. Cervantes which this newspaper refused to print because they were hearsay and unsubstantiated.

Disgruntled, Walsh quit and went to work for Life, which printed the story which purported to link Shenker and Cervantes to underworld activities.

Cervantes, while still Mayor, unsuccessfully sued Life for libel. The court did not find that the article was factual, but only that it was not possible to libel a public official unless untruths were printed knowingly and maliciously.

Walsh subsequently went to work for the New York Times and submitted an expose on Mayor Joseph L. Alioto of San Francisco. The Times turned down Walsh's story for much the same reason that The Globe-Democrat rejected the article on Shenker and Cervantes. Walsh then made his material available to another publication and was fired by the Times.

Morris Shenker deserves fair treatment. A gaming license is essential for him to preserve substantial business interests, unassociated with gambling activities, which he has accumulated through a lifetime.

Unless Nevada authorities have incriminating evidence which has not surfaced in St. Louis, where people know him best, Shenker should be granted the gaming license and permission to operate The Dunes.

(Indicate page, name of newspaper, city and state.)

ST. LOUIS.

Globe Democrat

(EDITORIAL PAGE)

Date: 11-29-74

Edition:

Author:

Editor:

Title:

Character:

or

Classification:

Submitting Office:

☐ Being Investigated

156-20-253

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SERIALIZED FILED

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(Mount Clipping in Space Below)

Shenker gets more time to bolster casino case

St. Louis attorney Morris A. Shenker has been granted an extension by the Nevada Gaming Control Board to prove his suitability to hold a gambling license to operate the Dunes Hotel and Casino in Las Vegas.

Philip P. Hannifin, chairman of the investigative gaming control board, said Shenker will be allowed to appear Jan. 16 to present arguments why the board should grant him a gambling license. Board offices are in Carson City, the capital of Nevada.

SHENKER APPEARED before the board Nov. 13 to testify on his suitability to hold a license and on his request to make an offer to gain

full control of Continental Connector Corp., which owns the Dunes.

Shenker told the board he has a \$17.1 million loan commitment from the Teamsters Union central states pension fund for the planned purchase.

Under scrutiny by the gaming board is an alleged check-kiting scheme involving California and Nevada companies in which Shenker has financial interest and other evidence of allegedly unethical and possibly illegal business transactions uncovered by the board during its investigation, gaming board officials said.

MUCH OF the testimony cited by the board thus far

has been taken from newspaper and national magazine articles detailing Shenker's activities and alleged connection with underworld figures.

After the hearing Jan. 16, the investigative body will present its recommendations to the five-member Nevada Gaming Commission which will decide whether to issue a gambling license to Shenker.

Hannifin said depending on the complexity and length of the testimony presented by Shenker, his Las Vegas attorney, Herbert Jones, and other witnesses, it could take the gaming commission until February to reach its decision on Shenker's suitability to hold a gambling license for the Dunes.

(Indicate page, name of newspaper, city and state.)

7A ST. LOUIS
GLOBE-DEMOCRAT

ST. LOUIS, MO.

Date: DECEMBER 6, 1974

Edition: Daily Final

Author:

Editor:

Title: MORRIS SHENKER

Character: AR

or

Classification: SL 92-

Submitting Office

☐ Being Investigated

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CCO -
route copies
to: 92-2088
156-20
87-21177

183-37
156-20-284
SEARCHED INDEXED
SERIALIZED FILED
DEC 11 1974
FBI - ST. LOUIS

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/9/74

A Federal Grand Jury subpoena duces tecum was served upon [REDACTED]

This subpoena commanded an appearance before a Federal Grand Jury at St. Louis, Missouri on December 11, 1974 at 2:00 p.m. He was further ordered via the subpoena to produce to the Grand Jury the complete and [REDACTED]

[REDACTED] including but not limited to: [REDACTED]

[REDACTED] This subpoena also ordered the production of the [REDACTED]

Interviewed on 12/3/74 at St. Louis County, Mo. File # SL 156-20-255
by SA [REDACTED] :gas Date dictated 12/6/74

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SL 156-20

AT ST. LOUIS, MISSOURI

On December 11, 1974, St. Louis Strike Force
Attorney [redacted] advised that [redacted]
[redacted]
[redacted] appeared before the Federal Grand Jury and turned over
the [redacted]
[redacted]

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/7/75

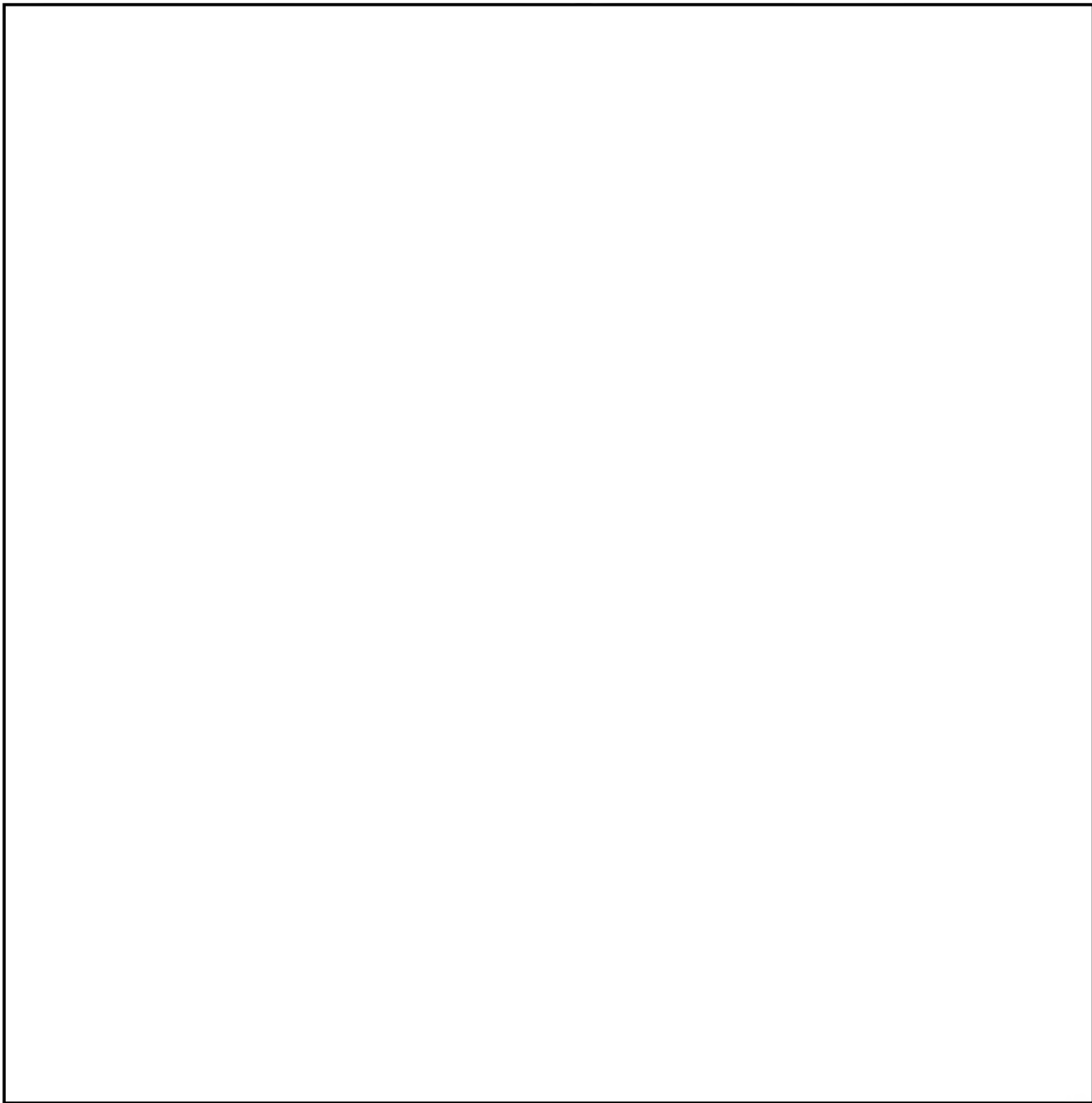
A review was conducted of [REDACTED] which had previously been turned over to a Federal Grand Jury pursuant to subpoena. This review revealed that on [REDACTED]

Interviewed on 12/31/74 at St. Louis, Missouri File # SL 156-20

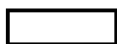
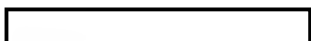
by SA [redacted] :vls Date dictated 1/6/75

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SL 156-20



3
SL 156-20



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SL 156-20



FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/6/74

A review was conducted of [redacted] which had
been seized via authorized Federal Search Warrant on
March 20, 1974 from [redacted]

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[redacted] This review
revealed the following information:

Parcel 1Parcel 2

Interviewed on 11/26/74 at St. Louis, Missouri File # SL 156-20

by SA [redacted] :vls Date dictated 12/2/74

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SL 156-20

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Parcel 3

A large rectangular black box redacting the content of Parcel 3.

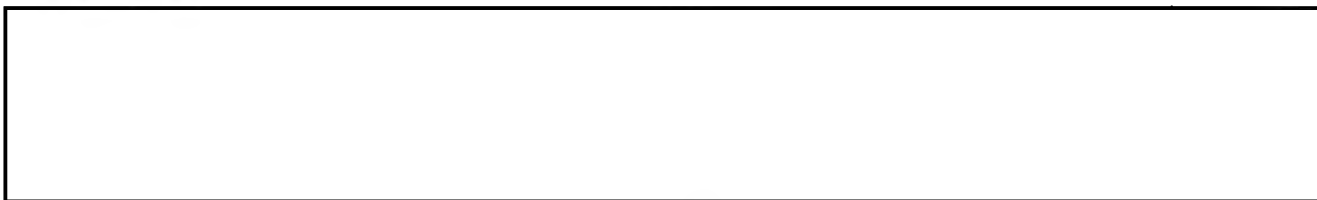
Parcel 4

A large rectangular black box redacting the content of Parcel 4.

Parcels 5, 6, and 7

A large rectangular black box redacting the content of Parcels 5, 6, and 7.

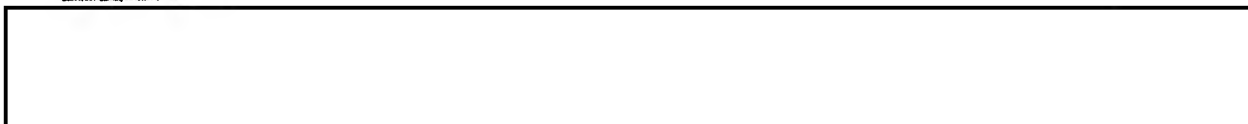
Parcel 8

A large rectangular black box redacting the content of Parcel 8.

Parcel 9

A large rectangular black box redacting the content of Parcel 9.

Parcel 10

A large rectangular black box redacting the content of Parcel 10.

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SL 156-20

Parcel 12

Parcel 14

4
SL 156-20

It was further noted that [REDACTED]
[REDACTED]

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D

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/8/751

A review of a Policy of Title Insurance issued by Title Insurance and Trust Company under policy number [redacted] in an amount of \$6,500,000.00 was issued to the trustees of the Pipefitters Welfare, Educational and Pension Fund on December 30, 1971 insuring Title to 14 parcels of real estate to secure an indebtedness to that pension fund in the above amount by B.A.I., Inc. and Crestview Heights, Inc.

This Title Insurance Policy ended at Page 26 and contained no reference whatsoever to any other Deeds of Trust being on file in front of a Deed of Trust dated December 28, 1971 to the Pipefitters Pension Fund which was recorded on December 29, 1971 under recorders file 303951.

The above information was obtained from a review of the original Policy of Title Insurance in the possession of the Pipefitters Welfare, Educational and Pension Funds, St. Louis, Missouri.

Interviewed on 12/31/74 at St. Louis, Missouri File # SL 156-20

by SA [redacted] :vls Date dictated 1/6/75

27

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/8/75b6
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[redacted]
[redacted]
[redacted] advised that [redacted]
[redacted]

[redacted] provided the following information in relation to a 6.5 million dollar loan to B.A.I., Inc.

When the loan to B.A.I. was approved by the trustees of the above Pipefitters Funds, it was unanimously decided by the trustees that the loan approval would be predicated upon receipt of a first deed of trust upon all properties used by B.A.I. to collateralize the loan. This decision was based on the fact that IRVIN J. KAHN and MORRIS A. SHENKER in applying for that loan and negotiating for same, told the Pipefitters that a first deed of trust on those properties would be issued in favor of the Pipefitters Funds.

[redacted]

[redacted] first became aware of [redacted] trust when he was questioned about same by Special Agents of the Federal Bureau of Investigation and the Federal Grand Jury at St. Louis, Missouri in either late Spring or early Summer of 1974. [redacted]

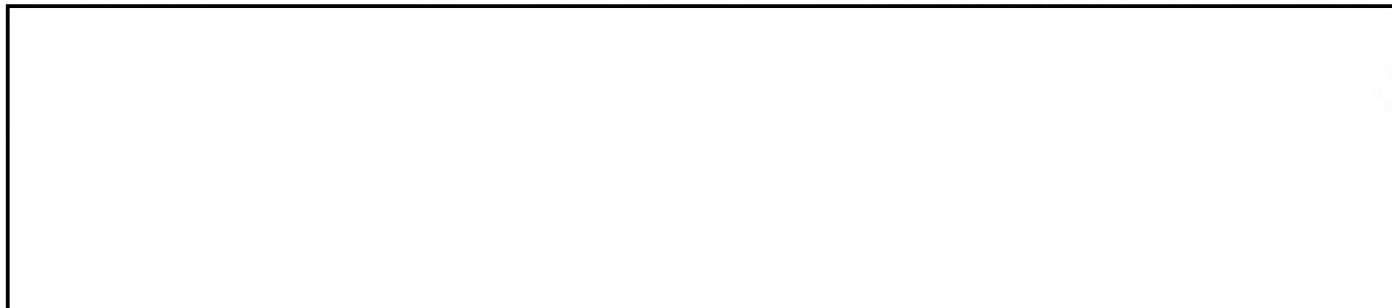
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b7C


Interviewed on 1/3/75 at St. Louis, Missouri File # SP 150-20

by SA [redacted] :vls Date dictated 1/6/75

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SL 156-20



 further stated that he feels that TI and B.A.I. are in violation of their loan and escrow agreements with the Pipefitters in view of these prior deeds of trust. He stated that the escrow agreement at TI prohibited the release of any loan monies until the first deed of trust was issued to the Pipefitters.



FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/8/751

[redacted]
[redacted] advised that he is associated with [redacted]
[redacted]

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He stated that in response to a Federal Grand
Jury Subpoena previously served upon [redacted], he has
learned that [redacted]
[redacted]
[redacted]

b3

Interviewed on 1/3/75 at St. Louis, Missouri File # SL 156-20

by SA [redacted] :vls Date dictated 1/6/75

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/8/751
copy

A review was conducted of certain [redacted]
of [redacted] which had been
produced to a Federal Grand Jury in response to a subpoena.

This review revealed that [redacted]
[redacted]
[redacted]
[redacted]

[redacted]

[redacted]

Interviewed on 12/30/74 at St. Louis, Missouri File # SL 156C20

by SA [redacted] :vls Date dictated 1/6/75

31

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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1
SL 156-20
TRP:vls

AT ST. LOUIS, MISSOURI

On January 3, 1975, the current facts of this case were discussed with St. Louis Strike Force Attorney [REDACTED] [REDACTED] who stated that they appeared to constitute a Fraud By Wire Violation inasmuch as the Pipefitters Pension Funds were lead to believe that they were holding a first deed of trust on all of the property collateralizing the B.A.I. loan when in fact this was not the case. This lead the Pipefitters to grant the loan to B.A.I. and the 6.5 million dollar proceeds of the loan were disbursed to California via wire transfer from St. Louis, Missouri. [REDACTED] stated that prior to returning indictments in this matter, he desires to have all of the prior deeds of trust that were in existence at the time of the Pipefitters Loan verified to establish the fact that they were still in effect.

F B I

Date: 12/13/74

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: SAC, ST. LOUIS (156-20)
FROM: SAC, SAN DIEGO (156-5) (P)

MORRIS A. SHENKER, aka
IRVIN J. KAHN (DECEASED)

[REDACTED]
ET AL

WPPDA; OOJ; PERJURY
(OO: St. Louis)

Re St. Louis airtel to San Diego dated 11/26/74.

[REDACTED]
[REDACTED] (Protect Identity)
contacted 12/6 - 10/74 regarding requested [REDACTED]
[REDACTED]

[REDACTED] explained that due to the location and nature of the parcels of property involved, to conduct an accurate meaningful and error-free search of title it would be necessary to trace the property from its inception, with the assistance of pertinent escrow instructions.

It was [REDACTED] opinion that the top value of the properties involved was \$2,500,000.00 indicating the possibility that there is other property involved. This property could probably be located by perusing the escrow instructions. He advised that if two persons with experience

② - St. Louis
2 - San Diego

GHB/jc
(4)

Approved: _____
Special Agent in Charge

Sent _____

SD 156-5

and knowledge comparable to his were to undertake the project, utilizing County Recorder's Office records, it would take four months to complete. The same project undertaken by two individuals inexperienced in the work would required approximately one year to complete.

The foregoing data is submitted for the information and guidance of the St. Louis Division. In addition, the following alternatives are proposed for consideration:

1. Obtain a subpoena for all documentation pertaining to the search of title with all escrow instruction pertaining thereto under Title Insurance Company Numbers:

[redacted] and [redacted]

2. Order the desired search of title at an estimated cost of approximately \$3,000.00.

The San Diego Division will hold in abeyance any action with request to the title search pending advice from the St. Louis Division.

The interviews requested in referenced communication will be conducted.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/18/74

[] Title Insurance Company, 220 "B" Street, San Diego, furnished the following information:

[] advised that one indemnity agreement had been obtained by Title Insurance Company from BAI to cover the write overs made by Title Insurance Company, on the 6.5 million dollar loan from the St. Louis Pipefitters Union. He said the one agreement covered all the deeds of trust that were over written.

[] advised that some of the trust deeds have since been paid off and currently there are only 20 trust deeds remaining to be paid off. He said that as of last May or June, the total amount of the write overs had been approximately \$762,000. He said this amount will have been slightly reduced by the date of this interview.

[] furnished the interviewing agents with a copy of the indemnity agreement obtained from BAI.

Interviewed on 12/18/74 at San Diego, Calif. File # SD 156-5

SAs [] and []
by [] /law/ab Date dictated 12/18/74

F B I

Date: 12/18/74

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO : SAC, ST. LOUIS (156-20)
FROM : SAC, SAN DIEGO (156-5) (RUC)
SUBJECT: MORRIS A. SHENKER, aka.;
IRVIN J. KAHN (Deceased);
[REDACTED]
ET AL
WPPDA; OOJ; PERJURY
(OO: St. Louis)

Re St. Louis airtel to San Diego, 11/26/74.

Enclosed for St. Louis are 2 copies of FD-302 on the interview of [REDACTED] on 12/18/74, and 1 copy of an indemnity agreement obtained by Title Insurance Co. from BAI to cover the writeovers made by Title Insurance Co. on the 6.5 million dollar loan from the St. Louis Pipefitters Union.

② - St. Louis (Encls. 3)
1 - San Diego
LAW:ab
(3)

156-20-258

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 21 1974	

[REDACTED]

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/14/74

On November 4, 1974, [REDACTED]

[REDACTED] made available, pursuant to subpoena
duces tecum. [REDACTED]
[REDACTED]

Interviewed on 11/4/74 at St. Louis, Missouri File # SL 156-20 257
by SA [REDACTED] :dmn 5 Date dictated 11/8/74

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/3/74

A review of [redacted] from the [redacted]
concerning [redacted]
[redacted]
[redacted], disclosed the following:

b3
b6
b7CInterviewed on 11/11-20/74 at St. Louis, Missouri File # SL 156-20 -240by SA [redacted] :dmn 6 Date dictated 11/26/74b6
b7C

SL 156-20

It was further noted from [redacted] that there
was [redacted]

[redacted]

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/3/741 advised that b3
b6
b7CInterviewed on 11/20/74 at St. Louis, Missouri File # SL 156-20by SA :vls Date dictated 11/26/74

12

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

F B I

Date: 1/3/75

Transmit the following in PLAIN TEXT
(Type in plaintext or code)Via TELETYPE URGENT
(Priority)

TO : DIRECTOR (156-557) 10:44 A JTG

SAN DIEGO (156-5) 10:53 A LJV

FROM: ST. LOUIS (156-20) (P)

MORRIS A. SHENKER, AKA, ET AL. WPPDA; OOJ; PERJURY; FBW.

OO: ST. LOUIS.

b3
b6
b7C

INVESTIGATION TO DATE SUBSTANTIATES OOJ, PERJURY, AND FBW
VIOLATIONS RE INSTANT MATTER PER ST. LOUIS STRIKE FORCE ATTORNEYS.

INVESTIGATION INCLUDES EXHAUSTIVE REVIEW OF (1) [REDACTED]

[REDACTED] VIA AUTHORIZED FEDERAL SEARCH WARRANT FROM [REDACTED]

1- St. Louis
TRP:lhc
(1)

Approved: [Signature]

Special Agent in Charge

Sent [Signature]

See above

A/M

Per [Signature]

b6
b7C

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)b3
b6
b7CVia _____
(Priority)

SL 156-20

PAGE TWO

ST. LOUIS STRIKE FORCE ATTORNEYS ADVISE ONLY OBSTACLE TO INDICT-
MENTS AT THIS TIME IS CONFIRMATION OF PRIOR LIENS ON PROPERTY
THROUGH SAN DIEGO COUNTY RECORDER'S OFFICE AND VERIFICATION WITH
LIEN HOLDERS.

SAN DIEGO DIVISION ATTEMPTED CONFIRMATION OF PRIOR LIENS,
HOWEVER, UNABLE TO ACCOMPLISH SAME DUE TO UNFAMILIARITY WITH

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

SL 156-20

b3

PAGE THREE

[REDACTED] RE SAME IN POSSESSION OF

ST. LOUIS DIVISION [REDACTED]

CONTAIN [REDACTED]

[REDACTED] TO

FORWARD TO SAN DIEGO OR ADEQUATELY SYNOPSISIZE FOR LEAD PURPOSES.

ST. LOUIS CASE AGENT, SA [REDACTED] THOROUGHLY FAMILIAR
WITH SAME AS WELL AS DETAILS OF PRIOR LIENS. SA [REDACTED] TRAVELLING
TO LAS VEGAS JANUARY 7-10, 1975, FOR EXTENSIVE FGJ HEARINGS ON
OTHER MATTER INVOLVING SHENKER.

b6
b7C

BUREAU PERMISSION REQUESTED FOR SA [REDACTED] TO CONTINUE ON TO
SAN DIEGO UPON COMPLETION OF LAS VEGAS FGJ TO VERIFY PRIOR LIENS
ON ABOVE PROPERTIES. APPROVAL RECOMMENDED DUE TO STRIKE FORCE
OPINION THAT THIS VERIFICATION IS ONLY OBSTACLE TO INDICTMENTS.
END

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

FBI

Transmit in _____ Via Airtel
(Type in plaintext or code)

(Precedence)

1/6/75

(Date)

TO: SAC, St. Louis (156-20)

✓ From: Director, FBI (156-557)

MORRIS A. SHENKER, aka

ET AL.

WPPDA; OOJ; PERJURY; FBW

OO: SL

b3

b6

b7C

Reurtel 1/3/75..

Permission is granted for SA [REDACTED]
to proceed to San Diego on 1/10 or 11/75, to examine
[REDACTED] as described in referenced communication.

The Bureau is to be kept advised of all pertinent
developments.

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(Do not type BEYOND THIS MARGIN.)

(Do not type below this line.)

156-20-242

SEARCHED	INDEXED
SERIALIZED	FILED

(Mount Clipping in Space Below)

Las Vegas Papers Back Shenker On Dunes Deal

By ROY MALONE
of the Post-Dispatch Staff

Las Vegas's two daily newspapers are supporting Morris A. Shenker, St. Louis lawyer and businessman, in his efforts to persuade Nevada authorities to allow him to acquire full control of the Dunes Hotel and Casino in Las Vegas.

Both the Las Vegas Sun and the Las Vegas Review Journal have criticized the Nevada Gaming Board for its allegations that Shenker has been involved in unethical business practices and improper relations with elected officials and has associated with persons of questionable reputation.

The board, which has authority to approve or reject Shenker's request to take over the Dunes, also reportedly has antagonized some Nevada legislators with its intensive scrutiny of Shenker's business affairs.

The board was said to be concerned that, to show support for Shenker, some legislators might oppose legislation the board has requested, including appropriations for expanding its staff.

The board's case against Shenker was presented at a hearing on Nov. 13. The hearing resumes Jan. 16 when Shenker plans to counter the allegations point by point. He says the board's report on him is unfair, and he has been busy since it was made public gathering documents and witnesses to try to refute it.

The gaming board, which has three full-time members, has broad authority to investigate applications and violations. It can request any type of information from an applicant, and refusal to cooperate could mean denial.

Shenker found this out when agents asked him to open his office safe in St. Louis last summer. Shenker objected, citing lawyer-client relationship. However, he complied after a board member asked whether he wanted to be a lawyer or a gambler.

In the safe agents found three notes, totaling \$3750, which were payable to Shenker from the late Herbert H. Freer. Freer had been first assistant United States Attorney in St. Louis when the notes were signed, in 1947 and 1948.

The board noted that Freer was in a position to be of value

to Shenker concerning prosecution of Shenker's clients. Shenker told agents he thought the loans had been repaid.

Since the first hearing, the Las Vegas Sun has twice published columns defending Shenker. The paper said the criminal defense lawyer must defend himself against innuendo, not hard facts, and that his constitutional rights were being abused.

The Las Vegas Review Journal said: "As far as St. Louis goes, they feel Shenker is a first class citizen and he is being roused by the gaming investigators . . . the control might be a little too tight in this case."

Philip P. Hannifin, board chairman, said the investigators reviewed many of the 60 firms in which Shenker has a financial interest. The agents cited a "check-kiting" scheme involving three land development firms in California and Nevada in which \$1,000,000 was allegedly created through end-of-the-month loan manipulations with checking accounts. Shenker said Irvin J. Kahn, his business partner who died in September, 1973, had been responsible for the financial transactions.

Legalized gambling is Nevada's main industry and gaming authorities say licensing by the state is a privilege, not a right. They have denied licensing in other cases because of the applicants' association with criminal elements.

Last month the Nevada Gaming Commission, which reviews actions by the gaming board, fined the Dunes \$10,000 for allowing Kansas City underworld figure Nick Civella on the premises last August. Civella, who is listed in the board's "Black Book" of undesirable characters, was given free meals and lodging but Dunes officials said they were not aware of his presence.

Authorities have considered Shenker a central figure in the Dunes operation for the last 10 years, although he has most often remained behind the scenes. Through a complicated series of agreements the Dunes has been sold four times in recent years, with the sale prices skyrocketing and many of the same figures involved on either the selling or buying end.

Shenker defended five of

six Dunes executives who were indicted in 1971 in a federal investigation of "skimming," which is not reporting all taxable income received by the casino. Some of the defendants were acquitted and the charges against the others were dropped.

Shenker is now seeking permission from the board to acquire all of the outstanding shares of Continental Connector Corp., the publicly traded parent corporation of the Dunes. He would do this through his wholly owned I.J.K. Nevada, Inc., which already owns 35 per cent of Continental Connector. The tender offer would be financed by a \$17,100,000 loan.

(Indicate page, name of newspaper, city and state.)

14A ST. LOUIS
POST-DISPATCH

ST. LOUIS, MO.

Date: JANUARY 5, 1975

Edition: Sunday

Author:

Editor:

Title: MORRIS SHENKER

Character: AR

or

Classification: SL 92- 156-20- 263

Submitting Office:

☐ Being Investigated

from the Teamsters central states pension fund.

By gaining control of Continental Connector, Shenker could change it to a private or closed corporation. This would afford some tax advantages and eliminate certain

public disclosure requirements of the Securities and Exchange Commission.

The Dunes is Continental Connector's most profitable subsidiary, and Shenker has proposed a \$50,000,000 expansion to make it "the finest

hotel on the Strip."

The Post-Dispatch was told that Shenker expressed interest in enlisting a former Democratic governor of Nevada, Grant Sawyer, as his counsel before the board. Shenker denied he asked

Sawyer to represent him and said he would retain Herb Jones, another Las Vegas lawyer who has represented other gambling interests before the board.

Sawyer would not confirm or deny that he was approached. He said only: "I

am not representing Mr. Shenker."

It was learned that Sawyer, at the request of Major A. Riddle, Dunes president, will represent the directors and shareholders of Continental Connector at the hearing.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE ST. LOUIS	OFFICE OF ORIGIN ST. LOUIS	DATE 1/7/75	INVESTIGATIVE PERIOD 9/9/74 - 1/3/75
TITLE OF CASE MORRIS A. SHENKER, aka; IRVIN JULIUS KAHN (DECEASED); PIPEFITTERS UNION LOCAL 562 WELFARE AND PENSION FUNDS ST. LOUIS, MISSOURI; <div style="border: 1px solid black; height: 20px; width: 100%;"></div>		REPORT MADE BY SA <div style="border: 1px solid black; display: inline-block; width: 150px; height: 1.2em;"></div>	TYPED BY vls
		CHARACTER OF CASE WPPDA; PERJURY; OOJ; FBW	

REFERENCE: St. Louis report of SA dated 10/2/74.

- P -

ADMINISTRATIVE

Investigative period overlaps referenced report due to receipt of results of investigation by auxiliary offices after issuance of referenced report. An additional character of Fraud By Wire has been added to this matter in view of evidence that subjects defrauded Pipefitters Union Local 562 Pension Fund into granting 6.5 million dollar loan, the proceeds of which were disbursed through inter-state wire transfers.

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES	PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
							PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED SPECIAL AGENT IN CHARGE COPIES MADE: 3 - Bureau (156-557) 1 - USA, St. Louis 1 - AIC, St. Louis Field Office (ATTN: <div style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em;"></div>) ② - St. Louis (156-20) <i>ml</i>	DO NOT WRITE IN SPACES BELOW <div style="border: 1px solid black; width: 150px; height: 50px; margin: 10px auto;"></div> <div style="text-align: right; margin-top: 10px;"> <i>lh</i> <i>JS</i> 156-20-264 </div>
--	---

Dissemination Record of Attached Report					Notations SEARCHED SERIALIZED INDEXED FILED <i>156-20-264</i>
Agency					
Request Recd.					
Date Fwd.					
How Fwd.					
By					

SL 156-20

[redacted] and spent that time explaining the complex accounting system of the various KAHN-SHENKER Companies involved in this matter. During that same conference, [redacted] explained the [redacted] of these companies to the St. Louis Case Agent. [redacted] had previously been obtained via Federal Grand Jury subpoena.

b3
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By communication dated 9/26/74, the San Diego Division advised that [redacted] had provided the following information:

b2
b7D

Informant advised on [redacted]

[redacted] aka [redacted]

[redacted] according to the informant made a [redacted]

[redacted] told the informant [redacted]

Informant went to Murrieta Hot Springs, Riverside County, California, owned by SHENKER, [redacted]

[redacted] telephone [redacted]

[redacted] to SHENKER. [redacted] indicated he was

well acquainted with St. Louis LCN Boss TONY GIARDANO, as is SHENKER, who is a St. Louis attorney. Informant

[redacted] the information sent by [redacted]

[redacted] with SHENKER. Those in attendance included the informant, [redacted]

b6
b7C
b7D

[redacted] (Informant advised that the

[redacted] LCN family.) [redacted]

B
COVER PAGE

SL 156-20

b7D

Informant explained that [redacted] LCN
[redacted] spends much
time at Murrieta Hot Springs, where [redacted]
[redacted] is residing.

Informant advised that [redacted]
[redacted]

b6
b7C
b7D

[redacted] Informant also doubts [redacted]
[redacted]

Informant advised that SHENKER appears to be
losing a great deal of money at Murrieta Hot Springs being
run by [redacted] SHENKER took over control of
Murrieta when his partner, IRVIN KAHN of San Diego, died.
Murrieta is being financed through money loaned by the
St. Louis Steam Fitters Union. Informant advised that when
[redacted]

[redacted] Informant advised that [redacted]
[redacted]

told the informant that [redacted]
[redacted]

Informant advised that [redacted]
[redacted]

C
COVER PAGE

SL 15-13942

[redacted]
[redacted] told the informant that
[redacted]
[redacted] also told the informant
[redacted]
The informant
could not make a good identification of [redacted] but
believed he might be [redacted]
[redacted]

Informant advised that [redacted]
[redacted]
[redacted]
[redacted] told the informant that
[redacted]
[redacted] also told the informant that [redacted]
[redacted]

On 10/24/74, [redacted]
[redacted] telephonically advised
that [redacted] had just learned that captioned subject
received a written commitment letter from the Teamsters
Union Central States Pension Fund dated 10/4/74. This
commitment letter stated that this Pension Fund was agreeing
to make a temporary and a permanent loan to SHENKER in the
amount of \$17,104,000 to enable him to purchase the remaining
outstanding stock in the Dunes Hotel and Casino in Las
Vegas, Nevada.

[redacted] stated that he did not feel that [redacted]
would be conducting any investigation into this matter inasmuch
as it was quite common for the Teamsters to loan money to
various individuals engaged in the operation of Las Vegas

SL 156-20

Casinos. [] stated that he was providing this information to the FBI on a confidential basis and he requested that his identity as the source of this information be protected.

As the Bureau is aware, a new matter has been opened captioned "MORRIS A. SHENKER, RICO, OO: ST. LOUIS, SL 183-37" relating to a multi-million dollar check kiting scheme between several corporations owned by SHENKER in Las Vegas and San Diego. Also under investigation in that matter is a possible Bribery of a local governmental official in Nevada by SHENKER's company in order to obtain the issuance of a large amount of improvement bonds relating to some property owned by SHENKER.

San Diego Division was previously requested to conduct a Title search of all of the properties used by the various companies involved in instant matter to collateralize 24 million dollars worth of loans from the Pipefitters Pension Fund, St. Louis, Missouri. After instituting appropriate investigation, San Diego Division advised on 12/13/74 that they were unable to complete same due to not being in possession of the various escrow and title company files relating to these parcels of property. St. Louis Division is in possession of these files and they are extremely voluminous in nature precluding their being forwarded to San Diego are adequately synopsisized for lead purposes.

By teletype dated 1/3/75, Bureau permission was requested for the St. Louis Case Agent to proceed to San Diego to conduct the appropriate title search in view of his familiarity with these records and the real estate involved.

LEADS

ST. LOUIS DIVISION

AT ST. LOUIS, MISSOURI:

1.) Will institute appropriate investigation to verify all prior liens on property used by SHENKER-KAHN companies

SL 156-20

to collateralize Pipefitters Pension Fund loan.

2.) Will continue review of BAI, Murrieta Hot Springs, and Mission Hills Enterprises records to trace usage of all Pipefitters Pension Fund loan proceeds to determine if usage was contrary to stated purpose of loan.

3.) Will obtain copies of all wire transfer orders and documents regarding disbursement of pension fund loan proceeds to above companies.

4.) Will maintain contact with St. Louis Strike Force Attorney [REDACTED] re anticipated indictments in this matter.

F*
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - United States Attorney, St. Louis, Missouri
1 - AIC, St. Louis Field Office (ATTENTION: [REDACTED])

Report of: SA [REDACTED]
Date: JANUARY 7, 1975

Office: ST. LOUIS

Field Office File #: SL 156-20

Bureau File #: 156-557

b6
b7C

Title: MORRIS A. SHENKER;
IRVIN JULIUS KAHN (DECEASED);
PIPEFITTERS UNION LOCAL 562
WELFARE AND PENSION FUNDS
ST. LOUIS, MISSOURI;

~~Character~~
~~XXXXXX~~

~~SYNOPSIS~~

Character: WELFARE AND PENSION PLANS DISCLOSURE ACT; PERJURY;
OBSTRUCTION OF JUSTICE; FRAUD BY WIRE

Synopsis:

[REDACTED] of IRVIN J. KAHN
reinterviewed 9/9/74 and stated that payments from
KAHN to MORRIS SHENKER were quite large for amount
of work performed by SHENKER's Law Firm. [REDACTED]
stated SHENKER made only occasional appearances at
KAHN's Office. Records of Missouri State Bank, SLMO
relating to disbursement of Pipefitters Pension Fund
loan disbursements obtained. Review of same reveals
funds disbursed by that bank via wire transfer to
Bank of America, Los Angeles, California and Security
Pacific National Bank, San Diego, California. [REDACTED]

b3
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b7C

[REDACTED] obtained via
subpoena and review of same reveals [REDACTED]

[REDACTED]

Review of

[REDACTED]

[REDACTED]

revealed [REDACTED]

[REDACTED]

SL 156-20

[redacted]
[redacted]
[redacted] interviewed on 1/3/75 and stated that neither he nor pension fund trustees became aware of prior liens until questions regarding same by Federal authorities in mid 1974. [redacted] further stated pension fund would not have granted loan had they known of prior liens. Review of [redacted]
[redacted]

[redacted] investigation continuing.

- P -

DETAILS:

AT OAKLAND, CALIFORNIA:

(Mount Clipping in Space Below)

Justice Department subpoenas Nevada board's data on Shenker

By BRENDAN RILEY
Associated Press Writer

CARSON CITY, NEV. — The Justice Department is moving to investigate dealings involving St. Louis lawyer and Teamsters Union ally Morris Shenker.

Federal "strike force" lawyers Thursday slapped the Nevada Gaming Control board with a subpoena for records on Shenker, who is trying to take over the Dunes Hotel-Casino in Las Vegas.

Other subpoenas were issued for unidentified individuals as the Justice Department readied its case for presentation to a grand jury in Las Vegas, sources said.

Gaming Control Board chairman Phil Hannifin and board member Shannon By-

bee both confirmed that records were subpoenaed. They also confirmed the records related to Shenker's land development activity in Riverside County, Calif., and Douglas County, Nev., were subpoenaed.

The board's data was compiled as part of a separate study to determine Shenker's suitability to buy the Dunes, change it from a publicly traded operation to a private firm and launch a \$50 million expansion program.

THE BOARD WAS to resume a hearing on Shenker's plan, to be backed by loans from the Teamsters Union Pension Fund representing southwest and central states, here Wednesday.

The federal move is the latest in a series of efforts by

the Justice Department to investigate Shenker, a power in Democratic circles in St. Louis and once a defense lawyer for former Teamsters Union chief James Hoffa.

Richard Crane, head of the Los Angeles-based federal strike force that sought the subpoenas, said he had "absolutely no comment" to make.

Shenker said, "I know I'm always being investigated, but I'm not aware of this one" when asked what he knew of the activity.

The information being turned over to the strike force relates to Murrieta Hot Springs, a development in Riverside County, Calif.; Horizons West in Las Vegas and Sierra Charter Corp. in Douglas County, Nev. Shenker has a major interest in all three.

THE BOARD'S records had been subpoenaed last

September by federal strike force attorneys in St. Louis, apparently as part of an investigation of dealings that included the alleged sale of \$600,000 worth of fictitious bonds by a Shenker associate, Edward White, to a pipefitter union local.

Shenker has long-standing ties with the Teamsters Union. He has said he and a partner, the late Irvin Kahn, have received more than \$150 million in loans from a union pension fund. Shenker, according to board records, represented Hoffa throughout the 1960s.

(Indicate page, name of newspaper, city and state.)

pg. 2A, St. Louis
GLOBE-DEMOCRAT,
St. Louis, Mo.

Date: 1/10/75
Edition:
Author:
Editor:
Title: MARRIS A. SHENKER
aka
WPPDA
Character:
or
Classification: SL 156-20
Submitting Office:
☐ Being Investigated

156-20-265
SEARCHED ☒ INDEXED ☒
SERIALIZED ☒ FILED ☒
JAN 10 1975

CCO - copy to
183-37

b6
b7c

Shenker, Ever Controversial, Fights To Defend His Record

By ROY MALONE
Of the Post-Dispatch Staff

FIRST OF A SERIES

Morris Shenker sat in his St. Louis law office and quickly scanned a story about him in this month's issue of Overdrive magazine.

The magazine for truck drivers, published in Hollywood, Calif., had mentioned Shenker in several earlier articles on how Teamsters Union pension funds were lent to gambling interests and projects involving persons of questionable reputation.

Now the magazine devoted nine pages in rounding up derogatory material on the lawyer-businessman under a headline that read: "Meet 'Mister Manipulator'—The Criminal Lawyer Through Whose Fingers Has Poured 200 Million Teamsters Dollars—Morris Shenker."

The article said Shenker had been labeled "mouthpiece for the mob" for more than 30 years and told of government investigations against him, past and present. Included was an old photograph of Shenker looking out of the corner of his eyes with an impish grin, as if he had just thought of something clever.

Shenker read the headline once again and said in a low voice: "Son of a bitch." Generally, he is not given to

such remarks. The epithet seemed to have been uttered more in wonder than anger. "I guess they feel that's the way to do it," he said, as if he had forgiven the writer and editor.

"It's all because I'm a criminal lawyer. After you're exposed to it for 30

or many years you just ignore it. My conscience is clear. I never took anything that was not rightfully mine in my whole life. People know I'm honorable in my dealings and ethical in my prac-

tice."

In the 40 years that Shenker has represented persons accused of breaking the law he has won many professional honors. His charitable activities, such as Jewish fund raising, have brought even more awards. He keeps a list that now is eight typewritten pages and grows longer each year.

But despite this tribute, and the testimonials of friends and associates that he is a man of his word, Shenker has a hard time making some people believe he is not involved in shady deals.

He is having trouble now with Nevada gaming authorities, trying to persuade them he should be approved for a gaming license and to acquire full control of the posh Dunes hotel and casino in Las Vegas.

After an intensive investigation, the Nevada Gaming Board said it found Shenker's public image mixed, but preponderantly negative. Agents said they found a pattern of improper relations with public officials, questionable business ethics and questionable business and personal associations.

Various federal agencies have investigated Shenker over the years and none has ever charged him with an offense. But now, the Nevada authorities have put Shenker on trial in a quasi-judicial proceeding to determine whether he is suitable for licensing. The board's allegations boil down to a charge that he is unfit.

When his hearing began on Nov. 13 he was so upset at the allegations that during a recess he went over to a couple of agents and chastised them for what was put in the report. "I've got the finest reputation as a lawyer as any lawyer in the world. Money doesn't mean that much to me," he said.

The veteran defense lawyer reappears on Thursday for his point-by-point rebuttal, and it promises to be a good show. As good as when St. Louisans watched Shenker, their home town boy, on national television in 1951 defending gamblers before the Senate Crime Committee.

When Life magazine in 1970 accused him of being a top mob lawyer and being a business partner with some mobsters, Shenker decided not to sue for libel. He said he could not prove damage, such as loss of income. Alfonso J. Cervantes, who was St. Louis

(Indicate page, name of newspaper, city and state.)

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ST. LOUIS
GLOBE-DEMOCRAT
SLMO

Date: 1/13/75

Edition:

Author:

Editor:

Title: MORRIS SHENKER,
aka; ET AL

Character: WPPDA; PERJURY;
or OOJ; FBW

Classification:

Submitting Office: SL

☒ Being Investigated

156-20-266
SEARCHED INDEXED
SERIALIZED FILED
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mayor and was accused in the same article of having business and personal ties with the underworld, sued Life for \$12,000,000 and lost.

The article still haunts Shenker. Nevada gaming agents checked much of the information and used it in their report.

The Life article depicted Shenker as "a brilliant organizer of labyrinthine business and financial schemes which dazzle and befuddle the government." That phrase has oft been repeated, even in the gaming board's explanation of how it sought to unravel Shenker's "extraordinarily complex" business dealings, which involve about 60 firms, half of them in Nevada and California.

Since the Nevada inquiry began, the Organized Crime Strike Force in St. Louis and a federal grand jury have begun an investigation of Shenker. So has the Securities and Exchange Commission.

Shenker, 68 years old last Friday, has been a controversial and complex figure since rising to prominence as a criminal defense lawyer and political power here.

More than one critic has questioned his honesty, and segments of the public have tended to equate his reputation with that of the big-time mobsters he has defended.

Investigators are always attracted to his remarks from years ago that he does not concern himself with a client's morality, only his legal rights.

Interviews with longtime associates of Shenker, other lawyers, law enforcement officials, reporters and businessmen produced reactions running the gamut from unrestrained admiration to loathing, with the real Morris Shenker proving an elusive target. Said one man: "I guess you're going to ask me if I think he's crooked. Nobody can prove anything."

Said another: "The way the government investigated him tooth and nail they would have nailed him if he had done anything wrong."

Most of the lawyers who work or have worked for Shenker are extremely loyal. "He's a great person. To me he's God," said one. He has done countless good deeds for family, friends and associates.

One Nevada gaming agent who spent several months investigating Shenker said: "I started out feeling bad that we

had to ask him all these questions. He was so nice about it. He was super-cooperative. But the more we talked to other people, and the more we found out, I saw what a selfish guy he was and how other people get hurt in his deals. He always protects himself. For years he has seen how others get into trouble and he knows how to avoid it."

Lt. Col. John Doherty, St. Louis chief of detectives who rode herd on the city's known hoodlums only to see Shenker undo his efforts by repeatedly getting them out of jail, has no hard feelings toward the lawyer. "He was always an honorable man," said Doherty.

Curtis Brostron, former St. Louis chief of police, so admired Shenker's courtroom ability to get defendants acquitted that when he was police inspector he invited Shenker to lecture to the top brass at the police academy. Shenker talked on the rights of the accused and what mistakes police were making in their cases. Shenker has lectured similarly to Internal Revenue Service and prosecuting officials.

In the same police headquarters building, other officers who have had dealings with Shenker do not hold him in high esteem. One officer, who declined to be identified, said: "Lawyers like Shenker improve the atmosphere for burglary, stealing and other crimes."

United States District Judge John K. Regan, who left Shenker's law office many years ago under strained circumstances, will not discuss Shenker today except to say: "He defies definition."

At least one other federal judge, James H. Meredith, has been a party guest at the posh Shenker home in west St. Louis county. Traditionally, Shenker has invited lawyers, prosecutors and judges to his office parties.

Even Shenker's peers — his fellow lawyers — can be split. When the St. Louis Bar Association sponsored a radio program in 1951 there were objections to allowing Shenker on it as a speaker because of his defending gamblers before the Kefauver crime committee. The executive committee withdrew the bar's sponsorship just prior to broadcast, but later the full membership voted to repudiate the action. The resolution to repudiate was almost defeated when a motion to table it got a 69-69 vote. The association's president

declined to cast a tie-breaking vote. Shenker sat silent through the stormy debate.

In a courtroom, business meeting or even on a telephone, Morris Shenker likes to control the situation.

A heavy foreign accent, which causes him to mispronounce some words, is no handicap. Some of his admirers like to imitate the Shenker voice, which can bellow fearsomely or charm suavely.

While he never fails to return a call, he is much too busy to waste time on the telephone. A talk with a reporter goes something like this:

"Yes, I can tell you about that. It was strictly legitimate. Everything above board. What have they been saying about me?"

"No, I had nothing to do with those people. I only represented them in court. You know they are entitled to representation. It's my duty to take their case. Afterwards I have nothing to

do with them. I don't eat with them. I don't socialize. I don't even send them a Christmas card."

"Any more questions? Ask me anything. No more questions? Okay."

At his St. Louis law office he said: "My life is an open book." When the reporter stopped by unannounced at his Dunes office in Las Vegas, Shenker was cordial but immediately picked up an armful of books and covered the papers on his desk.

Shenker had just flown to Las Vegas from one of his land development ventures in California and his phone calls were stacked up. He had been paged in the hotel and casino for several hours. The flurry of calls was set off by news reports that gaming authorities were cracking down on free treatment given to hoodlums by casinos, the Dunes included.

Shenker handled the callers quickly, telling them not to worry because there

was not much new about him in the reports. Wherever Shenker travels he has employees call him and read any newspaper articles concerning him.

He offered a copy of a recent column in a Las Vegas paper that defended him in his application for a gaming license. He agreed to pose for a picture but later changed his mind about being photographed in the casino. It would not have been the image he wants to portray. He preferred a photo in the office.

It was then to the airport, a nap on the plane and another day of 14 or 16 hours of work, getting his case together to counter allegations by the gaming board.

It was highly competitive, and one agent said Shenker was "having the time of his life."

Shenker said: "It would be fun if it wasn't so important. There's a lot of money riding on it."



Morris A. Shenker

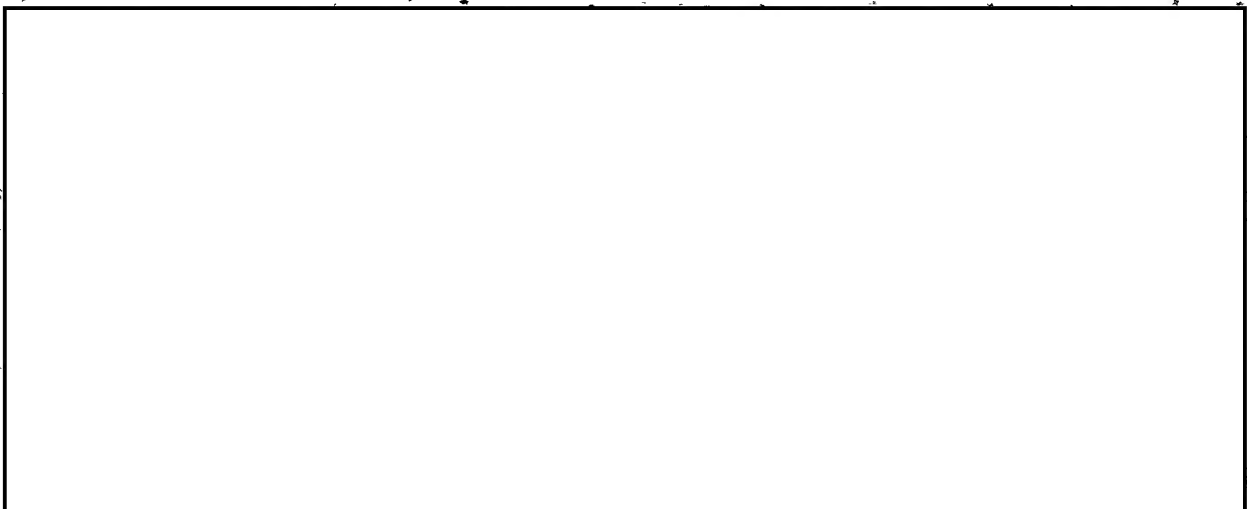
FEDERAL BUREAU OF INVESTIGATION

Date of transcription January 28, 1975

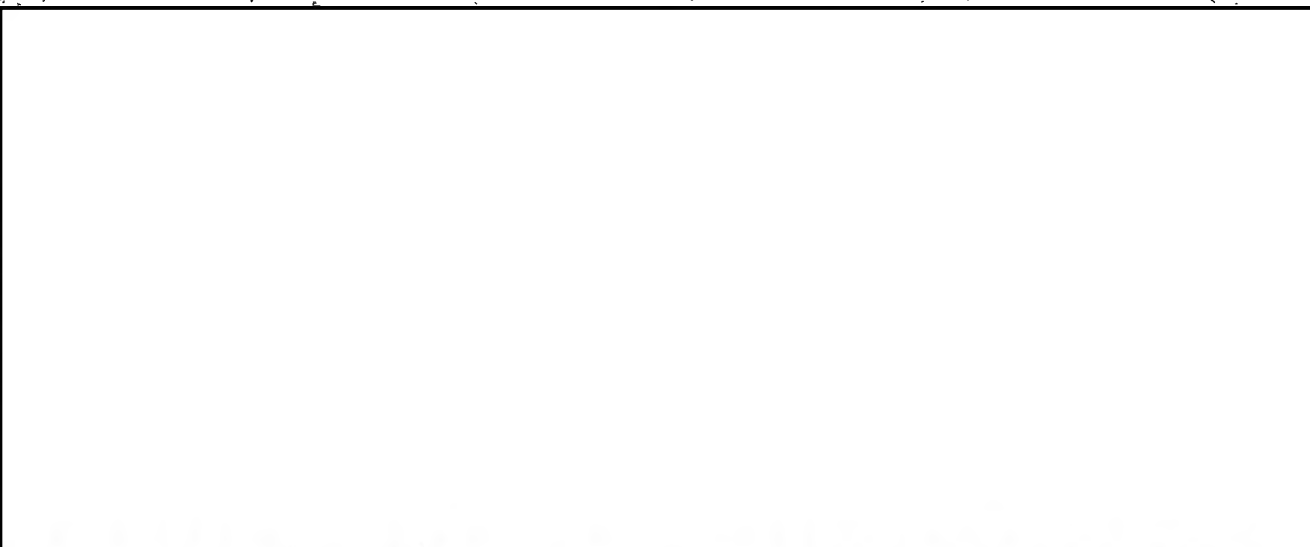
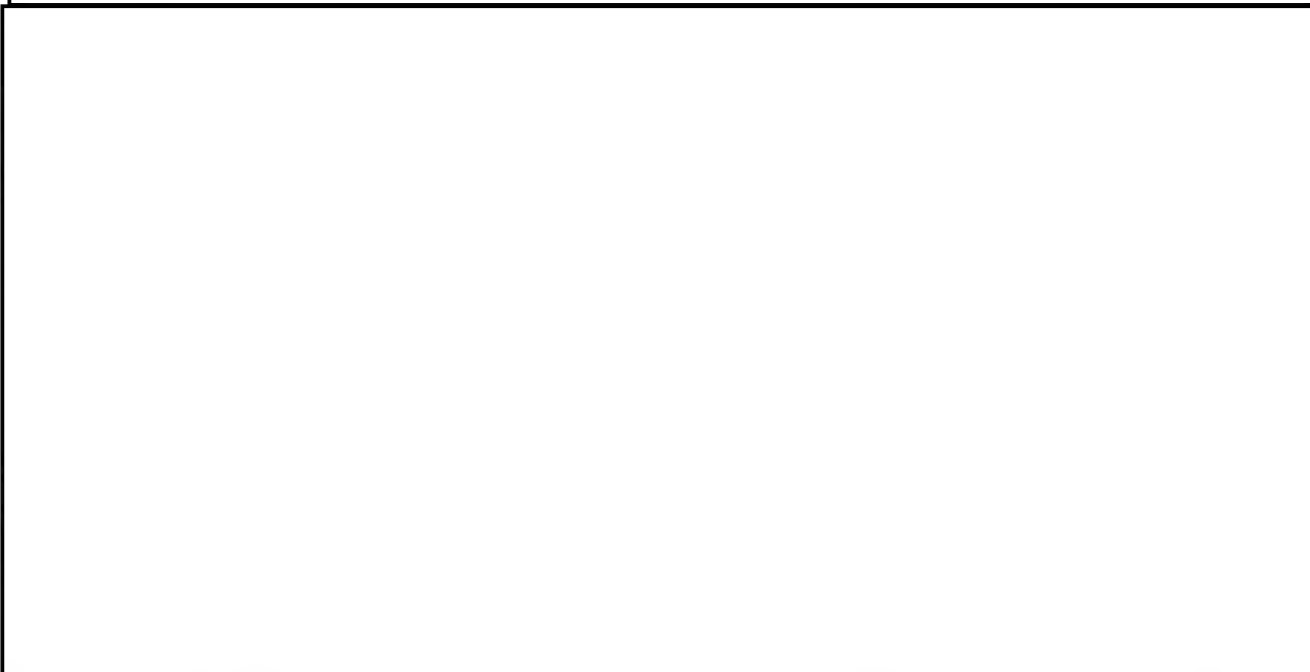
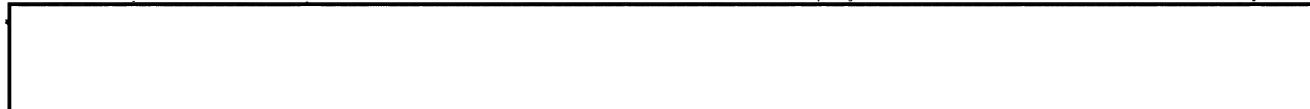
A review was conducted of [redacted]
[redacted]
pursuant to a Federal Grand Jury subpoena duces tecum
served upon [redacted]
on the same day. This review was conducted on the
[redacted] listed below and the information
found to be on file follows [redacted]

Interviewed on 1/20/75 at San Diego, California File # SL 156-20 -274
by SA [redacted] : pdp Date dictated 1/24/75

SL 156-20

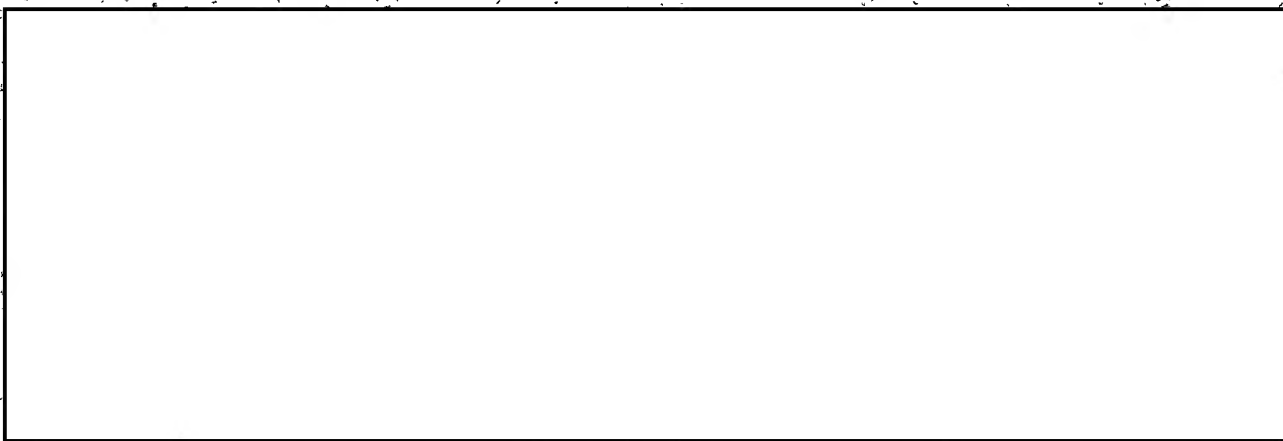


SL 156-20

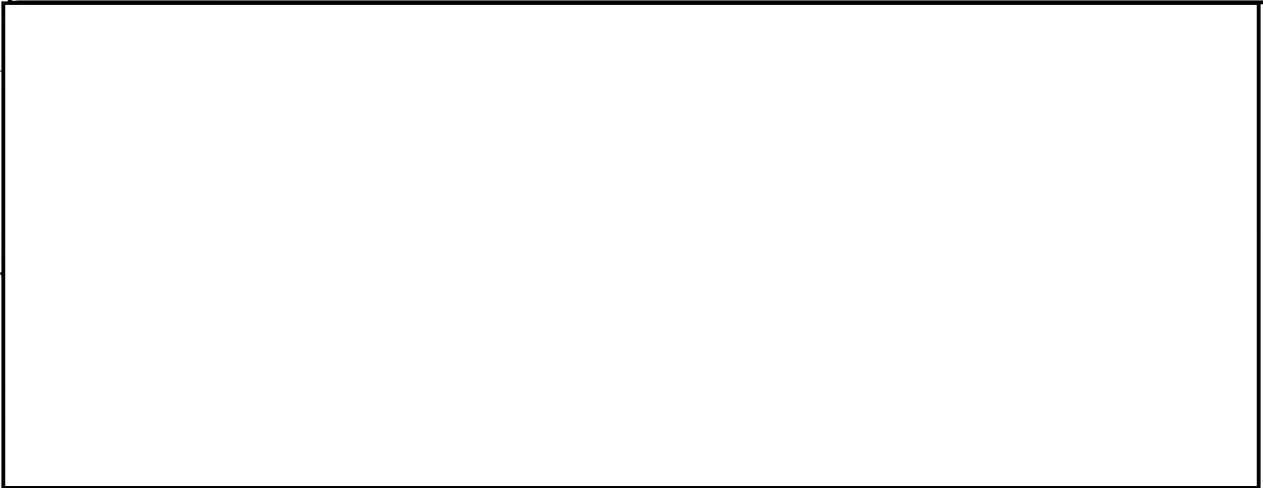
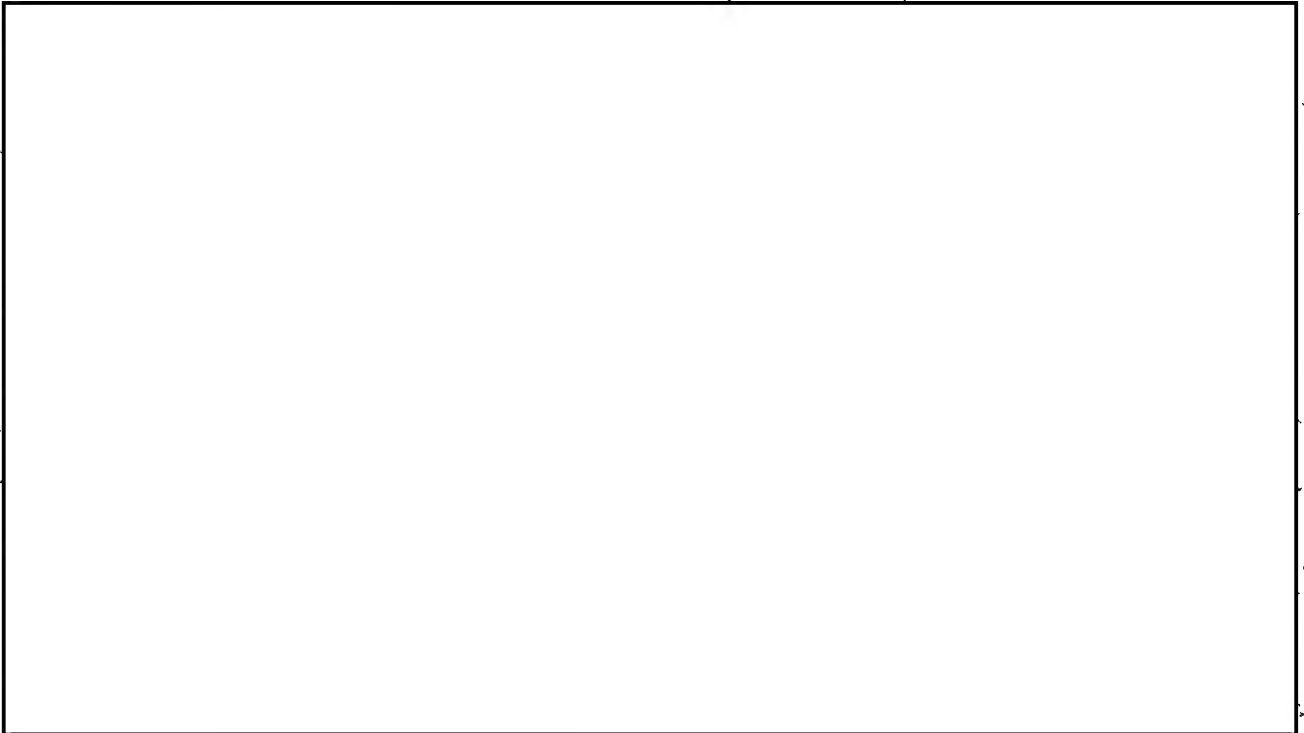


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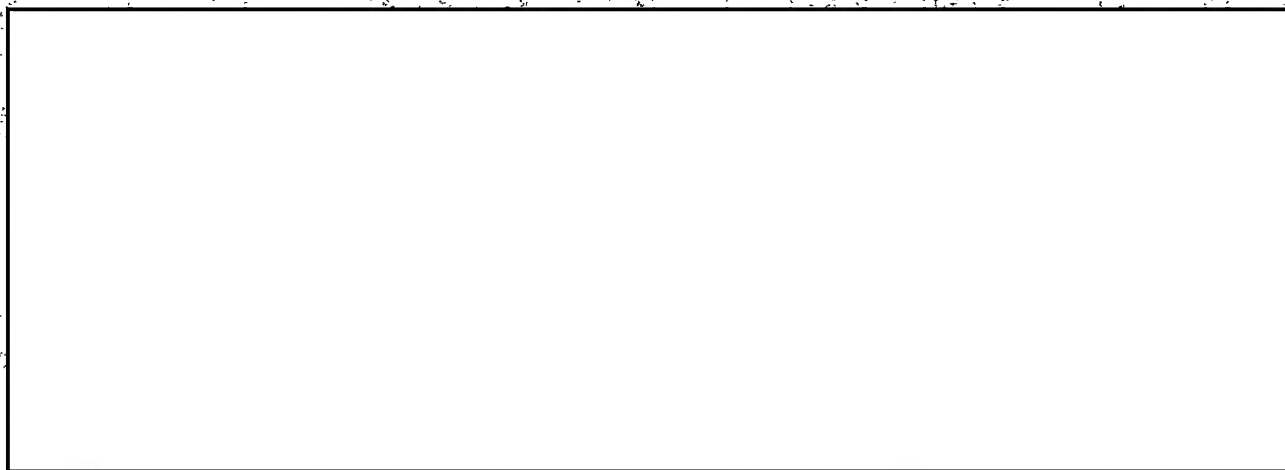
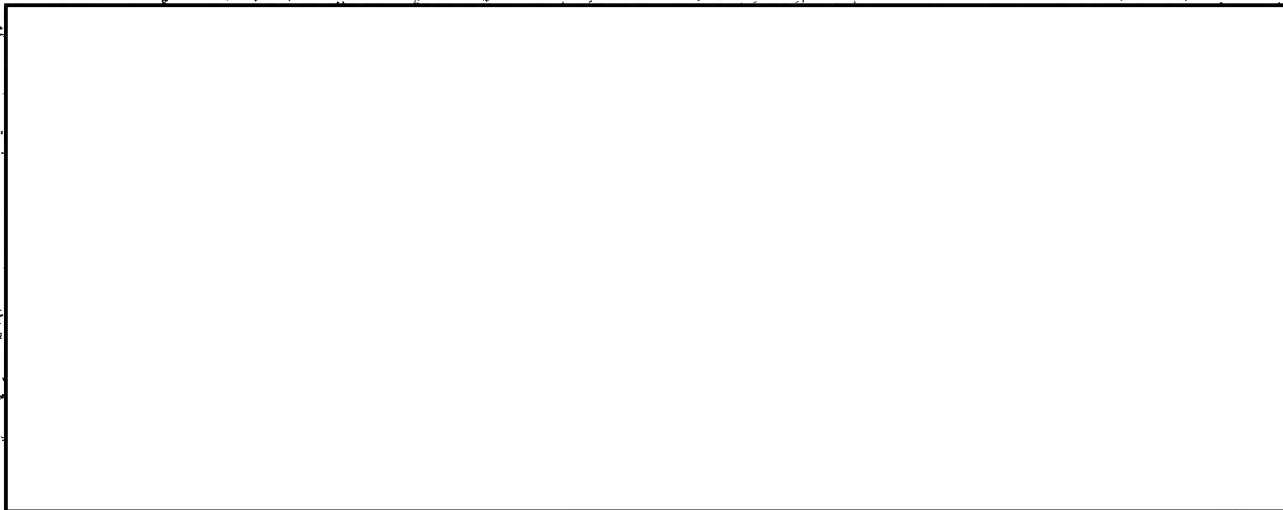
SL 156-20



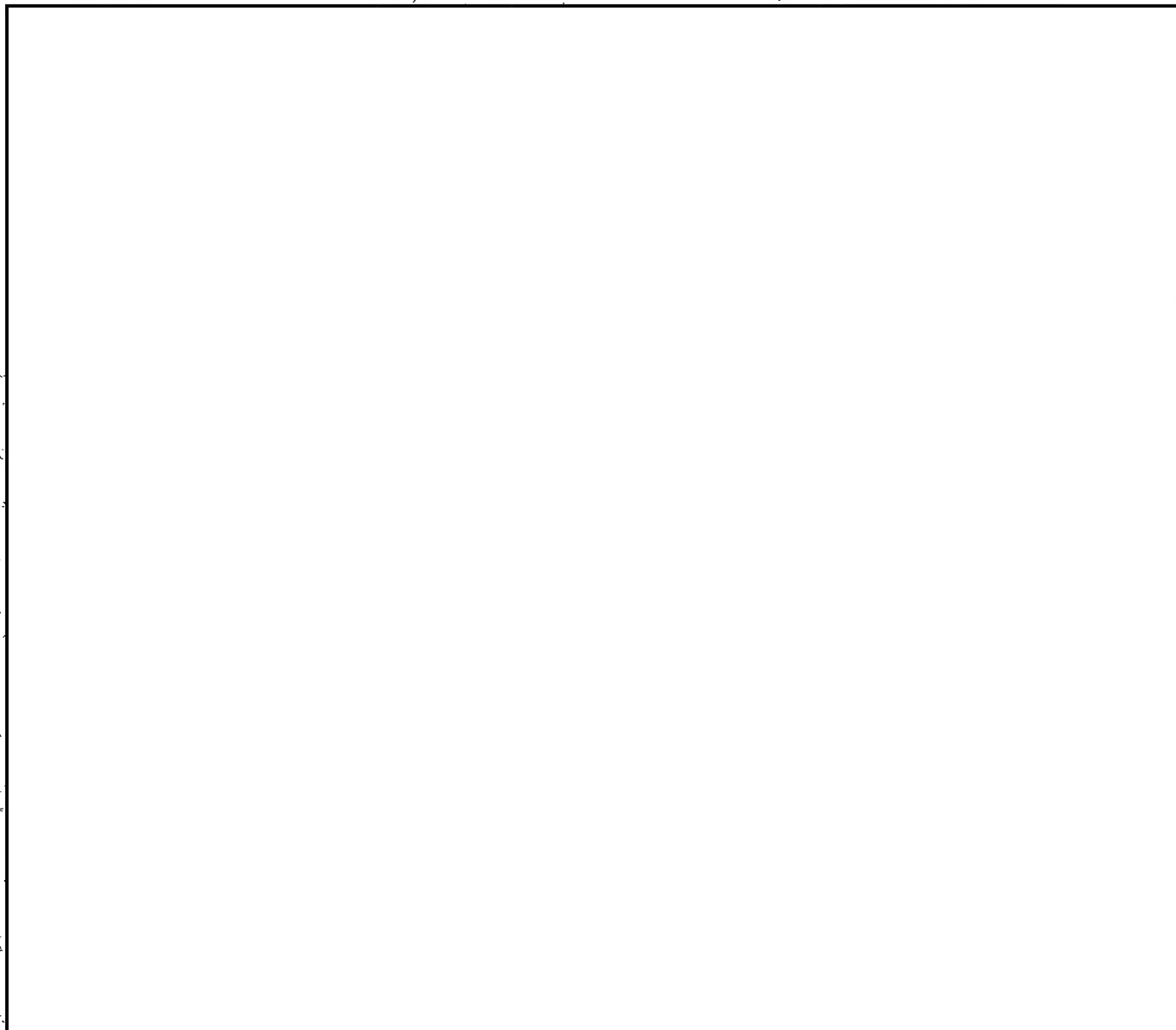
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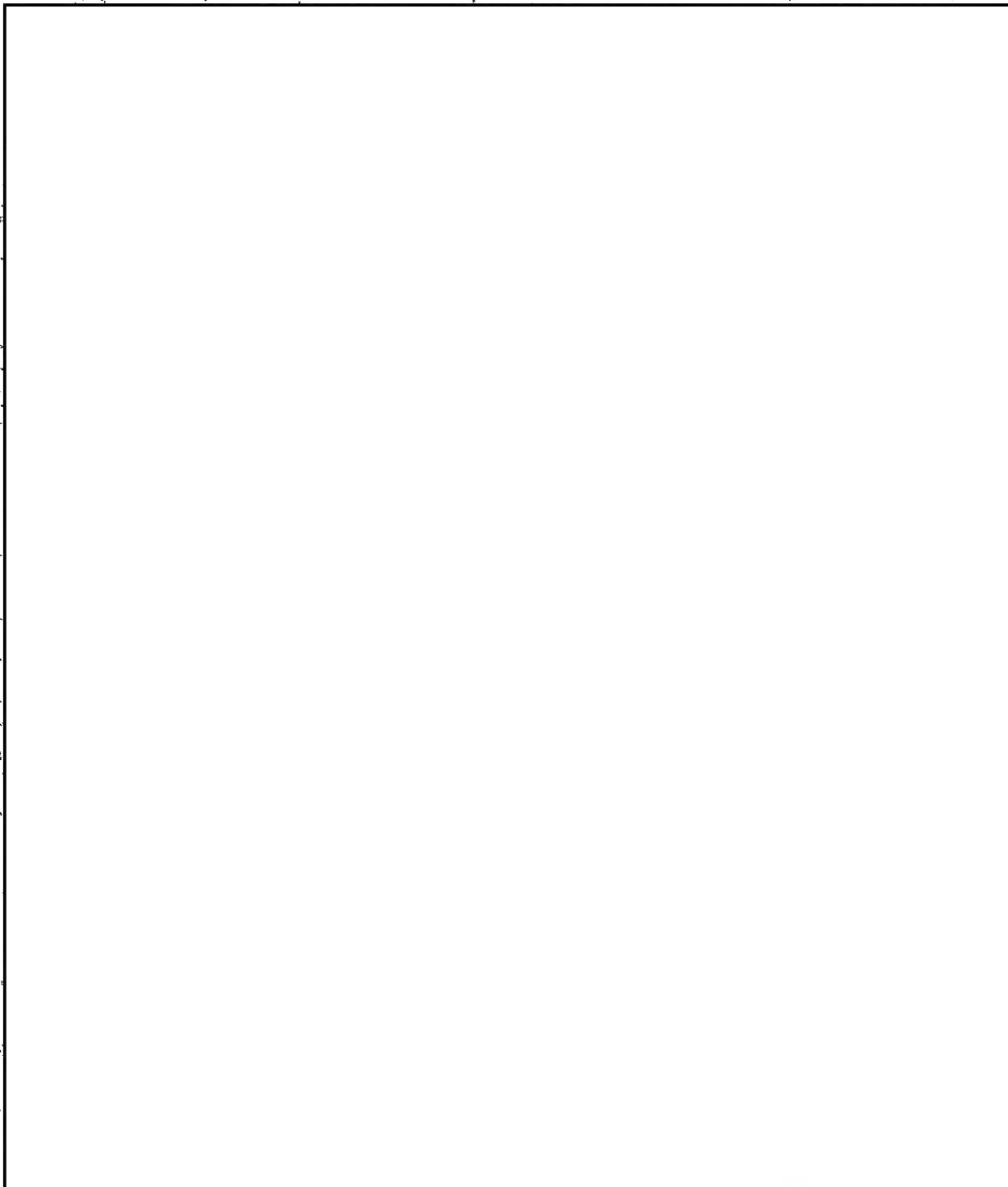
SL 156-20



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SL 156-20

[REDACTED]

Upon completion of this review, certified photostat
copies were obtained from [REDACTED]
for all of [REDACTED] referred to above.

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F B I

Date: 1/28/75

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIRMAIL
(Priority)

TO: SAC, HOUSTON

FROM: SAC, ST. LOUIS (156-20) P

SUBJECT: MORRIS A. SHENKER, aka;
IRVIN JULIUS KAHN - Deceased;
PIPEFITTERS UNION LOCAL 562
WELFARE AND PENSION FUNDS,
ST. LOUIS, MISSOURI;
[REDACTED]
WPPDA; PERJURY;
OOJ; FBW; CONSPIRACY
OO: SL

Enclosed for Los Angeles are four copies of an FD-302 listing the parcels of real estate used to collateralize a 6.5 million dollar loan from the Pipefitters Union Pension Fund to B.A.I., Inc., including the names of persons or companies holding Deeds of Trust on these properties as reflected in the files of the San Diego County Recorder's Office. Enclosed for Sacramento are two copies of the above-described FD-302. Enclosed for Houston, Phoenix, and San Francisco is one copy each of that FD-302.

For information of offices previously not in receipt of same, MORRIS A. SHENKER is a nationally-known attorney from St. Louis, Mo., who has in the past acted as chief attorney for former Teamsters Union President JAMES R. HOFFA. Additionally,

- 2 - Houston (Enc. - 1)
- 4 - Los Angeles (156-76) (Enc. - 4)
- 2 - Phoenix (156-13) (Enc. - 1)
- 3 - Sacramento (92-645) (Enc. - 2)
- 2 - San Francisco (156-43) (Enc. - 1)
- ② - St. Louis

TRP: pdp

① (15) *pdp*

156-20-275

SEARCHED _____
SERIALIZED _____
INDEXED _____
FILED _____

Approved: _____

Special Agent in Charge

Sent _____ M Per _____

SL 156-20

SHENKER has been a major attorney for numerous top level organized crime figures around the country. An extensive investigation is currently under way relating to loans totaling \$24,000,000 from the Pipefitters Union Local 562 Pension and Welfare Funds, St. Louis, Mo., to three California companies owned by SHENKER - Murietta Hot Springs, Mission Hills Enterprises, and B.A.I., Inc. Investigation to date has determined that portions of the above loan proceeds were diverted from the company receiving same to Murietta Hot Springs. The amount involved in this diversion currently appears to be in excess of \$3,000,000. It has also been determined that SHENKER and his law office have represented the Pipefitters Union in various matters for many years.

During the investigation of these loans, subpoenas were served upon [REDACTED]

[REDACTED] in an attempt to [REDACTED]

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[REDACTED] After receiving the subpoenas, [REDACTED]

[REDACTED] Evidence has also been developed indicating that the TI officials telephonically contacted SHENKER immediately before [REDACTED]

Review of [REDACTED] revealed that they [REDACTED]

Interviews of Pipefitters Union officials and review of their records, has revealed that the loans they granted to the SHENKER - owned companies were predicated upon the condition that the union would hold the first Deed of Trust to all of the properties pledged as collateral by SHENKER.

SL 156-20

Investigation has indicated that the procedure utilized by TI officials in concealing the existing Deeds of Trust from the Pipefitters is known as a "write-over". The TI officials involved in that procedure have advised that "write-overs" are a necessary business practice that must be employed in order to compete with other title companies. The actual mechanics of a "write-over" involve the issuance of a title insurance policy from which all references to prior Deeds of Trust are eliminated. Interviews with top officials of other title insurance companies in the San Diego area indicates, however, that "write-overs" are not a common practice in that area and are considered unethical and fraudulent in the title insurance industry.

An interview has also been conducted with [redacted]

[redacted] who advised that he is not familiar with the "write-over" procedure and feels that it is possibly a violation of the State regulations pertaining to title insurance companies. [redacted] stated that an individual named [redacted] is [redacted]

[redacted] and is the individual who wrote most of the insurance regulations pertaining to the title insurance business. [redacted] also stated that [redacted] has been in charge of many major investigations of fraudulent practices involving title insurance companies. [redacted] is currently employed as an [redacted] for the [redacted]

A thorough review has recently been made of the records of the San Diego County Recorders Office for all Deeds of Trust relating to the parcels of real estate involved in these "write-overs". This review indicated that the persons listed in the leads section below held first Deeds of Trust on the real estate parcels pledged to the Pipefitters by SHENKER.

St. Louis Strike Force Attorneys are handling prosecution of this matter and have advised that the concealment of the prior Deeds of Trust from the Pipefitters Union in order to obtain a 6.5 million dollar loan from them for B.A.I., Inc., appears to constitute an FBW violation in

SL 156-20

view of the fact that the loan proceeds were transmitted via wire transfer from St. Louis, Mo., to San Diego, Calif. They have also advised that [REDACTED]

[REDACTED]

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The St. Louis Strike Force plans on bringing this matter to a conclusion before the FGJ at St. Louis during the week of 3/3/75 and are scheduling presentation of indictments shortly thereafter.

This matter is being closely followed by FBIHQ who has instructed that all leads be handled on an expedite basis. In view of the above, all leads should be covered and reported to St. Louis via FD-302 no later than 2/24/75.

LEADS

All offices receiving this communication should expeditiously interview persons listed below within your Division, and through use of enclosed FD-302, determine from them the following:

(1) Date they acquired the property and amount they paid for same.

(2) Date they sold property or granted loan on same to MORRIS SHENKER or Title Insurance and Trust Company under Holding Agreement 90 (HA90).

(3) The amount of that loan or the amount of the sale of the property.

(4) The identity and address of the party who contacted them to arrange the sale or the loan.

(5) Whether or not the loan or note was current as of 12/29/71.

(6) The amount due on the note as of 12/29/71 (both principal and interest).

(7) Details of any foreclosures or defaults filed by them against the property.

(8) The identity and address of the party making the payments on the loan or note.

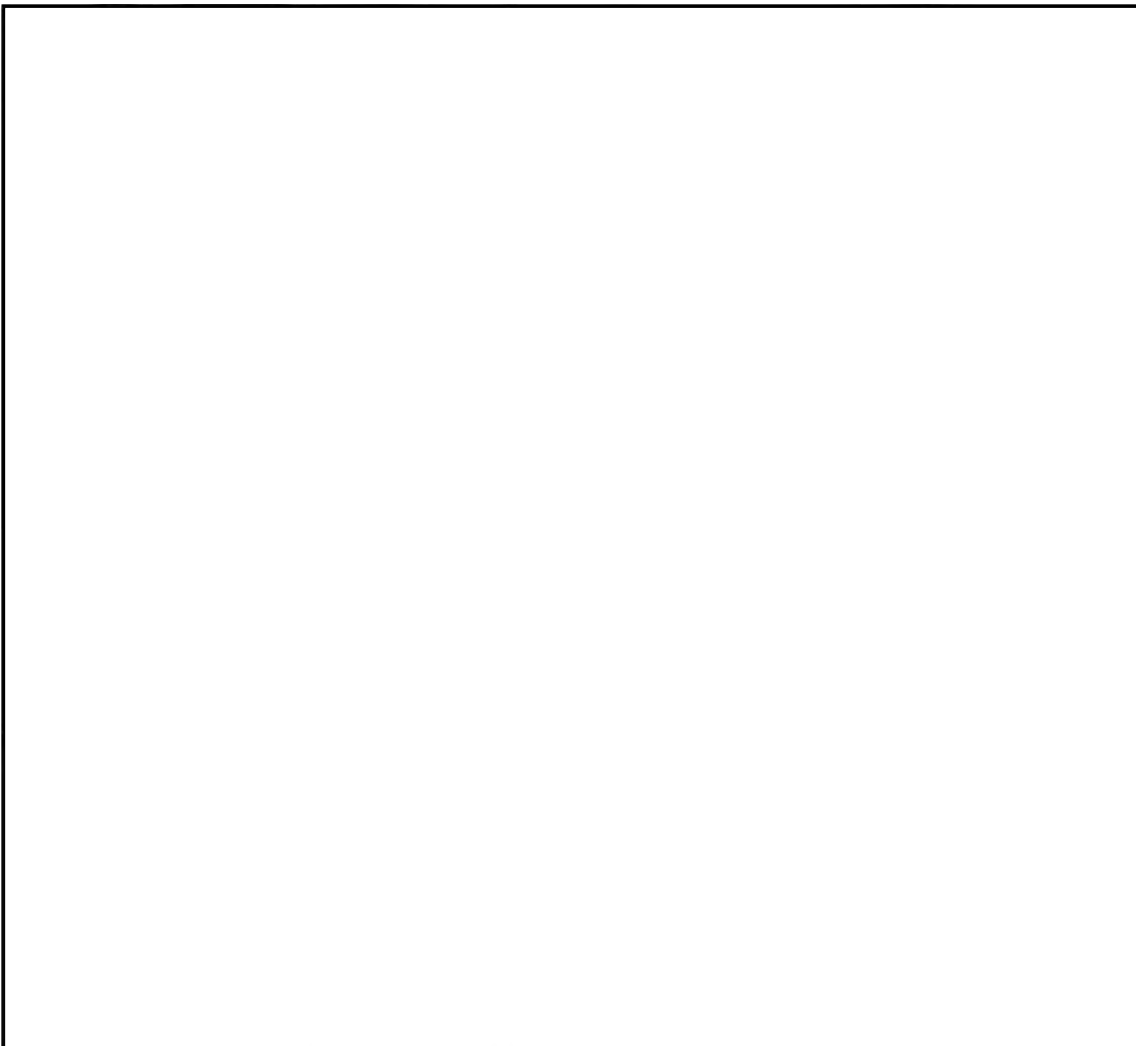
SL 156-20

(9) The current status of their Deed of Trust. If deed is no longer outstanding, determine date and amount of payoff.

(10) Their knowledge of the involvement of MORRIS SHENKER in any of the above transactions.

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SL 156-20



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AT SACRAMENTO, CALIF.:

Contact appropriate official of California Insurance Commissioner's Office and determine legality of "write-overs" and whether or not that procedure is in violation of State Law (i.e., Insurance Code Sections 12400, etc., or anti-rebate regulations).

SAN FRANCISCO:

AT MENLO PARK, CALIF.:

SL 156-20

Will contact [redacted]
[redacted] Argonaut Insurance Company, Menlo Park,
Calif. [redacted]
[redacted] and cover same lead as requested of
Sacramento Division.

(Mount Clipping in Space Below)

Grand Jury Subpenas Shenker Land Records

Records of the Title Insurance & Trust Co. of San Diego concerning all land transactions involving Morris A. Shenker, St. Louis criminal attorney, and the late Irvin J. Kahn have been subpoenaed for examination by a federal grand jury here.

Federal officials here declined to comment on the grand jury's inquiry. It apparently is looking into Shenker's land development ventures in southern California.

Rex Shroder, Federal Bureau of Investigation agent in charge at San Diego, announced yesterday that the warrant had been served. He said that under it the Title

Insurance & Trust Co. must turn over records of all escrow accounts it handled involving Shenker and Kahn. Kahn died in 1973.

Shroder said the grand jury here is investigating possible fraud or misuse of funds of St. Louis Pipefitters Union, Local 562.

Shenker was instrumental in Kahn obtaining a total of \$180,300,000 in loans from the Teamsters' Chicago-based Central States, Southeast and Southwest Areas Pension Fund. The pension fund's claim against Kahn's estate was settled a year ago, when it was given full control of Kahn's Penasquitos Corp., the company that operated his major building projects.

At the same time, Shenker obtained full ownership of three companies he had owned jointly with Kahn: B.A.I., Inc., Murietta Hot Springs, Inc., and Shelter Island Hotel Corp.

(Indicate page, name of newspaper, city and state.)

Pg. 3A, St. Louis
POST-DISPATCH,
St. Louis, Mo.

Date: 1/16/75
Edition:
Author:
Editor:
Title: MORRIS A. SHENKER

Character:

or

Classification: SL 183-37

Submitting Office:

☐ Being Investigated

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SERIALIZED

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copy to
156-20

(Mount Clipping in Space Below)

Shenker Blames Partner For Some Deals

By ROY MALONE

Of the Post-Dispatch Staff

CARSON CITY, Nev., Jan. 29 — The late Irvin J. Kahn, who was Morris A. Shenker's business partner, was named by Shenker repeatedly yesterday as being responsible for certain business decisions being questioned by the Nevada Gaming Control Board. Kahn died in 1973. Shenker testified for 10 hours before the board here.

It was the third day of hearings on Shenker's application for a gaming license. Once again there was not enough time to answer all the board's allegations against him. After an intensive investigation of the lawyer-businessman from St. Louis, gaming authorities said they found evidence of unethical business practices and questionable associations.

The hearing continued today. The board has said it will rule by Feb. 19. The five-member Gaming Commission will then review the board's recommendations and make its own decision.

Shenker is seeking a license to operate the Dunes Hotel and Casino at Las Vegas, and also to make a tender offer to acquire the controlling shares of the Dunes, parent firm, Continental Connector Corp.

The hearing yesterday began with Shannon Bybee Jr., a board member, telling a crowd of 100 persons that Shenker's parade of 27 character witnesses on Jan. 16 did not lead the board to believe there's only one viewpoint on Morris Shenker. That would not be in keeping with reality.

Bybee said that although the board had given ample weight to the testimonials by Shenker, it learned also there are some witnesses who declined to appear and others who have negative views and are unwilling to state them publicly.

"Not everyone agrees that Mr. Shenker is the kind of person who should be granted a gaming license in Nevada," Bybee said.

The board had questioned Shenker's role in a transaction in which the pension and welfare funds of Pipefitters Local 562 in St. Louis bought \$600,000 worth of Swiss Enterprise, Inc., bonds in 1970. They were sold by Edward A. White, a stock broker who was also a business associate of Shenker, but the bonds turned out to be fictitious.

On May 17, 1971, the union demanded an explanation from White on why interest was not paid. On that same date, Shenker and Kahn applied for a \$6,000,000 loan from the union for B.A.I. Inc., a jointly owned San Diego firm.

On Dec. 27, 1971, the pipefitters approved a \$6,500,000 loan to B.A.I., and on the next day the firm bought the Swiss Enterprise bonds from the union for \$540,000 — the same amount paid for them by the Pipefitters local.

Shenker told the board, "I did not know of Ed White's selling bonds to the pipefitters."

He said he had been unaware of the whole transaction and the union apparently later asked Kahn to buy the bonds. Kahn handled the purchase for B.A.I., Shenker said. He added: "He was the boss. He signed the checks. It was done. What could I do?"

Shenker said he was unaware that the bonds were worthless when B.A.I. bought them.

Philip P. Hannifin, board chairman, said the events appeared somewhat suspicious, given the fact that Shenker represented pipefitter leaders over the years and was influential in determining which political candidates got pipefitter money.

Firms in which Shenker has a financial interest have borrowed \$24,000,000 from the pipefitters since 1970, and last fall interest payments were more than \$1,000,000 in arrears.

White was fined by the Securities and Exchange Commission and barred from being a stock broker. Shenker said he tried to end his associations with White, especially when the SEC took action.

"I was not a pal of White," Shenker said. "I have no reason to be friendly with White." He said he lost several hundred thousand dollars in investments because of White's brokerage.

Shenker was a partner with Kahn in several land development firms in southern California and Nevada.

"He was probably the smartest land developer in the country," Shenker said. He said Kahn had control of their firms until he died, and his own role was that of investor who was instrumental in arranging financing, such as from the Teamsters and Pipefitters pension funds.

In settlement of Kahn's estate, Shenker acquired full control of several of the firms.

The board had charged that three Kahn-Shenker firms engaged in an alleged "check-kiting" scheme using one check to cover another by making loans to each other.

apparently in violation of a loan agreement with the Teamsters pension fund.

The firms were Penasquitos Corp., Murrieta-Hot Springs, and Horizons West, Inc. At the end of each month, through manipulation with checking accounts, the loans would be wiped off the firms' ledgers, only to be reinstated at the start of each new month, gaming agents said.

Shenker said Kahn liked to keep the books balanced to demonstrate he could repay any debts on short notice. "I can't tell you what money went back and forth," he told the board.

(Indicate page, name of newspaper, city and state.)

14A ST. LOUIS
POST-DISPATCH

ST. LOUIS, MO.

Date: JANUARY 29, 1975

Edition: *** Final

Author:

Editor:

Title: MORRIS A. SHENKER

Character: AR

or

Classification: SL 156-20

Submitting Office: cc: 87-21177

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Both Shenker and Kenneth Unruh, former financial officer for Kahn in Penasquitos, testified they felt that Teamsters pension fund officials were aware of the loan transactions. Unruh had testified Jan. 16 that Shenker also was aware of the transactions because he and Shenker had often discussed the money transfers on the telephone.

Unruh said computerized records of the transactions were available to pension fund representatives, if they knew what to look for. Bernard Mellman, an attorney in Shenker's St. Louis office, said he worked on modification of the Teamsters loan agreement to give Kahn more flexibility in using the loan money. The Teamsters had lent Penasquitos \$140,000,000, the board said.

Hannifin asked Shenker whether he could produce any Teamster pension fund officers as witnesses to clear up the question. Shenker said he had tried, but because of various investigations being made of the fund, "They didn't want to come in voluntarily."

The board has charged that a \$1,000,000 loan made by Horizons West to Murrieta on Dec. 29, 1972, and then indorsed to Penasquitos, was part of the check-kiting scheme. The check was written only \$88,000 in the Horizons bank account.

Shenker produced as a witness E. Parry Thomas, chairman of the Valley Bank of Nevada, Las Vegas. Thomas, who is also chairman of Continental Connector Corp., said he authorized the \$1,000,000 loan from his bank at the request of Kahn. Thomas said he had also spoken to Shenker about backing the loan.

"They had a commitment from me to cover that check. It was no kite. There was a definite credit understanding on that check," Thomas said.

When asked why Kahn

wanted a loan through Horizons West, Thomas said, "He wanted to clear up his year-end balance sheets." When the board asked Thomas whether he could document the loan transaction, on which no interest was collected, he said, "The commitment was oral."

Horizons West was established by Kahn and Shenker as a Dunes subsidiary to deal in decorating and furnishings, only a few months before the loan transaction. Thomas said he objected to the formation of Horizons West and wanted it out of the corporate structure. Shenker said he agreed and arranged to sell Horizons West to an old St. Louis friend and businessman, Morris Shenberg. Shenberg told

gambling agents the sale was discussed with him in January 1973, and the board said it appeared the purchase agreement was backdated to Dec. 15, 1972, "in order to avoid disclosure requirements of the SEC."

"If Horizons West had remained a Dunes subsidiary, auditors would have had to disclose the check-kiting scheme," the board said. Shenker said he first discussed the sale of Horizons West with Shenberg in early December 1972, and "at no time did I talk to him about backdating any documents."

The board discussed another Pipefitters Union loan to B.A.I. in which the union specified it wanted a first deed of trust on property put up as collateral, but got a second deed of trust instead.

Donald R. Rochambeau, former manager of the Title Insurance and Trust Co. of San Diego, said Kahn had instructed him to delete in the loan agreement any reference to existing mortgages on the collateral property.

When another official of the title company testified that this was not uncommon, Hannifin and Bybee suggested this was not proper in view of the fact that the pipefitters had specifically instructed they wanted a first mortgage.

Shenker produced an expert witness in Prof. John R. Hetland, who teaches property law at the University of California-Berkeley and is counsel to the California Real Estate Association. Hetland said when there was title insurance on such a loan, it filled the same purpose as having a first deed of trust.

(Mount Clipping in Space Below)

Shenker drops attempt to buy casino control

By ROBERT H. TEUSCHER
Globe-Democrat Staff Writer

CARSON CITY, NEV. — St. Louis attorney Morris Shenker announced that he is giving up his attempt to gain complete control of the Dunes Hotel and Casino in Las Vegas, but said he will continue to be the major stockholder.

Shenker made the surprise announcement at a hearing before the Nevada Gaming Control Board here Wednesday, in connection with his request for a Nevada gaming license. He will still need the license to keep the approximately 35 per cent of Dunes stock he owns through affiliated corporations.

AT THE SAME TIME, Shenker announced a loan commitment made this week by the Teamsters Union Central States Pension Fund for \$40 million to add 1,000 rooms to the Dunes and enlarge the casino.

Shenker said he intends to consolidate his holdings in Nevada and spend 80 per cent of his time there.

"I expect ultimately to spend all my time here," he told the gaming board.

However, he told a reporter later that he will retain his law firm and a home in St. Louis.

Shenker said he expects to take a strong leadership position in the operation of the Dunes rather than just play the role of an investor.

HIS DECISION to withdraw an offer to purchase stock from two Dunes major stockholders and a similar offer to all other stockholders, Shenker said, was prompted by a recent statement by a Securities and Exchange Commission official.

The SEC official, Shenker said, indicated that he thought it might be immoral to force

minor stockholders in a public corporation into an adverse position as minority stockholders in a private corporation.

In reply to questions later, Shenker said he was concerned that the SEC would delay action on approval of his purchase offer to the other Dunes stockholders until the SEC had established new regulations now under consideration.

He said his action in withdrawing the offer was not taken in order to make it easier, possibly, to obtain a gaming license. Nor was it done, he said, because of allegations that the purchase offer might be illegal.

THE GAMING BOARD will meet Feb. 19 to hear closing arguments on Shenker's license application and will make a decision at that time. The board's recommendation then must be acted on by the Nevada Gaming Commission, which meets Feb. 27. Final testimony in the hearing was given Wednesday.

In response to allegations about his involvement in Gryder Motors, a Rolla, Mo., automobile firm that allegedly catered to top echelon hoodlums and politicians, Shenker told the board the firm still owes him \$75,000.

Shenker said he had nothing to do with operations of the auto company and that in return for his loan, the firm gave him the use of a new Cadillac without charge.

Also, he said, his family gets "the advantage of buying cars at cost" from the firm. His son bought a car there, Shenker said, and so did his maid — "a small car, not a Cadillac."

Cordial D. (Bucky) Gryder, operator of the company, has been indicted by a federal grand jury in St. Louis on charges of filing false personal income tax returns for 1967-71.

SHENKER SAID to his "very best recollection" he had never recommended the Gryder firm to anybody. He told the board he wants to get out of his relationship with the firm as soon as possible, but said he had planned on having his son buy the business.

Asked why so many St. Louisans bought cars from Gryder, Shenker said he was told there was a shortage of Cadillacs in St. Louis and that Gryder gave discounts.

(Indicate page, name of newspaper, city and state.)

1A ST. LOUIS
GLOBE-DEMOCRAT

ST. LOUIS, MO.

Date: JANUARY 30, 1975

Edition: Daily - Final

Author:

Editor:

Title: MORRIS A. SHENKER

Character: AR

or

Classification: SL 92-2083

Submitting Office: 156-20

87-21177

183-37

☐ Being Investigated

156-20-219
SEARCHED INDEXED
SERIALIZED FILED

JAN 30 1975

Shenker abandons battle

Continued from Page 1A

Insisting he knew nothing about sales of cars by Gryder to hoodlums, Shenker said if he had known of this, "there was no way in the world that I would have gotten involved."

"This investigation has been an eye-opener to me," he told the board.

He added that he was sending his own Cadillac back to the company "because we want to settle our relationship."

IN DISCUSSING his alleged association with hoodlums, Shenker said, "I made it my

business my entire career never to become obligated to those people."

He said Tony Giordano, reputed head of the Mafia in St. Louis, had an adopted son whom he came to know while representing Giordano in an income tax case. The son wanted to go to law school, Shenker said, and he told the boy "that if he would go to law school, I would help him."

The young man never went to law school, Shenker added, but approached him later for a loan. Shenker said he told the youth he could not lend him money but would guarantee payment of a loan to a bank. Eventually he signed a note for \$4,000 to \$5,000 for Giordano's son, Shenker said.

COMMENTING ON his alleged association with Anthony F. Sansone Jr., which the board called one of several "undesirable associations," Shenker told of Sansone's many civic, professional and charitable activities.

He also introduced an affidavit by Mortimer Rosecan, attorney for former St. Louis Mayor Alfonso J. Cervantes in a \$12 million libel suit against Life magazine and Denny Walsh, author of the Life article.

The suit was dismissed in U.S. District Court here and a summary judgment was entered for Walsh and Life. That decision was affirmed by the U.S. Court of Appeals in St. Louis, and the U.S. Supreme Court refused to hear the case.

IN HIS AFFIDAVIT, Rosecan charged that Walsh, a Pulitzer Prize-winning reporter and a former Globe-Democrat staff member, had engaged in "outright fabrication." The article named Sansone as a friend of Cervantes and alleged ties between the mayor and the underworld. Shenker also was prominently mentioned in the article.

In St. Louis, Walsh's attorney in the suit, former U.S. Attorney D. Jeff Lance, said the summary judgment was based on a finding that the story was not malicious and that Life had adequate reason to believe the story was accurate. He also noted that Cervantes was the only plaintiff.

"The allegations against Shenker and Sansone have never been challenged in court," he said.

SHANNON BYBEE, a gaming board member said Rosecan's affidavit was in "the self-serving interest of a losing lawyer" in the libel suit. Bybee introduced into the record court findings that most of the material in four paragraphs Cervantes claimed to be libelous were based on official FBI or police intelligence reports.

The board indicated it was concerned about Shenker's relationship with Sansone because of evidence in a U.S. District Court trial in Los Angeles asserting that Sansone was involved on behalf of Giordano in loaning \$150,000 to a casino in Las Vegas. Sansone has denied the charge.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/20/75.

1

[redacted]
[redacted] home telephone number [redacted] is the [redacted]
[redacted]

and advised as follows:

[redacted]
[redacted] he became aware of the fact that one of the companies, known as BAI, Inc., received a large loan from the Pipefitters Pension Fund in St. Louis, Missouri. He recalls that this loan was collateralized with various properties owned individually by MORRIS A. SHENKER, along with properties owned by KAHN and BAI.

After the escrow on this loan was closed, he discovered that money was still owed on the parcels of property which had been owned by SHENKER. It also became apparent to him that prior deeds of trust on these land parcels were still outstanding.

[redacted]
[redacted] trust deeds had been "written over" and that the matter would be eventually taken care of. [redacted] these writeovers were "an accommodation" that Title Insurance and Trust Company had been making to IRVIN KAHN for quite some time. Title Insurance was the company handling the escrow and title proceedings relating to this loan. [redacted] further explained that this accommodation was made because KAHN's companies needed money desperately and the write-over procedure would expedite the receipt of the Pipefitters loan monies. [redacted] they expected to be able to negotiate with the prior trust deed holders for a discount on the pay offs of the monies still owed to them.

Interviewed on 1/14/75 at San Diego, California File # SD 156-5

by SA [redacted] TRP:bk Date dictated 1/16/75

2.
SD 156-5

[] explained that SHENKER had been responsible for bringing in the Pipefitters loans for the companies that received same and both SHENKER and KAHN were co-owners of these companies.

[] stated that he was not aware of the identities of the officials of Title Insurance Company who actually implemented the write-overs, nor was he aware of any indemnification agreements that may have existed between the KAHN-SHENKER companies and Title Insurance Company.

[] did state, however, that if an indemnity agreement existed between BAI, Inc. and Title Insurance Company, BAI would not have been financially capable of fulfilling the indemnity problem. He further explained that BAI was primarily a "shell" corporation and had no substantial assets.

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, ST. LOUIS (156-20)

DATE: 1/28/75

FROM : SAC, SAN DIEGO (156-5) (RUC)

SUBJECT: MORRIS A. SHENKER, aka;
IRVIN J. KAHN (DECEASED);

[REDACTED]
ETAL

WPPDA; OOJ; PERJURY
(OO: St. Louis)

Re San Diego airtel to St. Louis dated 12/18/74.

Enclosed for St. Louis is one copy of an FD-302
on the interview of [REDACTED] on 1/14/75 at San
Diego, California, concerning this case.

② - St. Louis (Enc. 1) *mlr*
1 - San Diego

LAW:mlr
(3)

156-20-281

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 30 1975	



(Mount Clipping in Space Below)

Gaming Panel Questions Shenker

By ROY MALONE
Of the Post-Dispatch Staff

CARSON CITY, Nev., Jan. — In 10 hours of testimony yesterday before the Nevada Gaming Control Board, Morris A. Shenker reportedly put the responsibility for certain business decisions questioned by the board on Irvin J. Kahn, his business partner, who died in 1973.

It was the third day of hearings on Shenker's application for a gaming license. Once again there was not enough time to answer all the board's allegations against him. After an intensive investigation of the lawyer-businessman from St. Louis, gaming authorities said they found evidence of unethical business practices and questionable associations.

The hearing continued today. The board has said it will rule by Feb. 19. The five-member Gaming Commission will then review the board's recommendations and make its own decision.

Shenker is seeking a license to operate the Dunes Hotel and Casino at Las Vegas, and also to make a tender offer to acquire the controlling shares of the Dunes, parent firm, Continental Connector Corp.

The hearing yesterday began with Shannon Bybee Jr., a board member, telling a crowd of 100 persons that Shenker's parade of 27 character witnesses on Jan. 16 did not lead the board to believe "there's only one viewpoint on Morris Shenker. That would not be in keeping with reality."

Bybee said that although the board had given ample weight to the testimonials by Shenker, it learned also there are some witnesses who declined to appear and others who have negative views and are unwilling to state them publicly.

"Not everyone agrees that Mr. Shenker is the kind of person who should be granted a gaming license in Nevada," Bybee said.

The board had questioned Shenker's role in a transaction in which the pension and welfare funds of Pipefitters Local 562 in St. Louis bought \$600,000 worth of Swiss Enterprise, Inc., bonds in 1970. They were sold by Edward A. White, a stock broker who was also a business associate of Shenker, but turned out to be fictitious.

(Indicate page, name of newspaper, city and state.)

Pg. 14A, St. Louis
POST-DISPATCH,
St. Louis, Mo.

Date: 1/29/75
Edition:
Author:
Editor:
Title: MORRIS A. SHENKER

Character:

or

Classification: SL 183-37

Submitting Office:

b6

☐ Being Investigated

b7C

156-20-283
SEARCHED INDEXED
SERIALIZED FILED

cc: 92-2088
156-20
87-21177

On May 17, 1971, the union demanded an explanation from White on why interest was not paid. On that same date Shenker and Kahn applied for a \$6,000,000 loan from the union for B.A.I., Inc., a jointly owned San Diego firm.

On Dec. 27, 1971, the pipefitters approved a \$6,500,000 loan to B.A.I., and on the next day the firm bought the Swiss Enterprise bonds from the union for \$540,000 — the same amount paid for them by the Pipefitters local.

Shenker told the board, "I did not know of Ed White's selling bonds to the pipefitters."

He said he had been unaware of the whole transaction and the union apparently later asked Kahn to buy the bonds. Kahn handled the purchase for B.A.I., Shenker said. He added: "He was the boss. He signed the checks. It was done. What could I do?"

Shenker said he was unaware that the bonds were worthless when B.A.I. bought them.

Philip P. Hannifin, board chairman, said the events appeared somewhat suspicious, given the fact that Shenker represented pipefitter leaders over the years and was influential in determining which political candidates got pipefitter money.

Firms in which Shenker has a financial interest have borrowed \$24,000,000 from the pipefitters since 1970, and last fall interest payments were more than \$1,000,000 in arrears.

White was fined by the Securities and Exchange Commission and barred from being a stock broker. Shenker said he tried to end his associations with White, especially when the SEC took action.

"I was not a pal of White," Shenker said. "I have no reason to be friendly with White." He said he lost several hundred thousand dollars

in investments because of White's brokerage.

Shenker was a partner with Kahn in several land development firms in southern California and Nevada.

"He was probably the smartest land developer in the country," Shenker said. He said Kahn had control of their firms until he died, and his own role was that of investor who was instrumental in arranging financing, such as from the Teamsters and Pipefitters pension funds.

In settlement of Kahn's estate, Shenker acquired full control of several of the firms.

The board had charged that three Kahn-Shenker firms engaged in an alleged "check-kiting" using one check to cover another by making loans to each other, apparently in violation of a loan agreement with the Teamsters pension fund.

The firms were Penasquitos Corp., Murrieta-Hot Springs, and Horizons West, Inc. At the end of each month, through manipulation

with checking accounts, the loans would be wiped off the firms' ledgers, only to be reinstated at the start of each new month, gaming agents said.

Shenker said Kahn liked to keep the books balanced to demonstrate he could repay any debts on short notice. "I can't tell you what money went back and forth," he told the board.

Both Shenker and Kenneth L. Unruh, former financial officer for Kahn in Penasquitos, testified they felt that Teamsters pension fund officials were aware of the loan transactions. Unruh had testified Jan. 16 that Shenker also was aware of the transactions because he and Shenker had often discussed the money transfers on the telephone.

Unruh said computerized records of the transactions were available to pension fund representatives, if they knew what to look for. Bernard Mellman, an attorney in Shenker's St. Louis office, said he worked on modification of the Teamsters loan

agreement to give Kahn more flexibility in using the loan money. The Teamsters had lent Penasquitos \$140,000,000, the board said.

Hannifin asked Shenker whether he could produce any Teamster pension fund officers as witnesses to clear up the question. Shenker said he had tried, but because of various investigations being made of the fund, "They didn't want to come in voluntarily."

(Mount Clipping in Space Below)

Board questions Shenker's link to stockbroker

By ROBERT H. TEUSCHER
Globe-Democrat Staff Writer

CARSON CITY, NEV. — Nevada Gaming control Board officials here questioned St. Louis attorney Morris A. Shenker closely Tuesday regarding his relationship with a St. Louis stockbroker who was barred by the Securities Exchange Commission from selling stocks.

Shenker was defending his application for a Nevada gaming license in hearings before the Gaming Control Board. A major stockholder in the Dunes Hotel and Casino in Las Vegas, Shenker is seeking to gain complete control of the complex.

SHENKER TOLD the board he lost between \$600,000 and \$800,000 "because of the way White (former stockbroker Edward A. White) handled my account."

Board officials also questioned Shenker's many meetings with White and Sorkis Webbe, a leading St. Louis politician, including a midnight flight to Las Vegas in Webbe's private plane.

Shenker said that on several of the meetings, he probably was trying to straighten out his stock account with White.

Shenker also told the board he was not aware that White was a director of Gryder Motors, a Rolla, Mo., auto firm that regularly sells cars to top echelon hoodlums and politicians.

According to board officials, Shenker loaned "substantial sums" to Gryder Motors. But Shenker said his only direct dealing with White aside from stocks was in a West Coast movie producing firm that went bankrupt.

ASKED ABOUT bonds from a Swiss company that were bought by a firm he and business associate Irvin J. Kahn were involved in, Shenker said he was not aware Kahn bought them until after they had been purchased. Officials noted the SEC and the president of the Swiss firm said the bonds were false. The bonds were sold by White to Steamfitters Local 562 then bought by the company in which Shenker and Kahn held an interest.

(Indicate page, name of newspaper, city and state.)
Pg. 6A, St. Louis
GLOBE-DEMOCRAT,
St. Louis, Mo.

Date: 1/29/75
Edition:
Author:
Editor:
Title: MORRIS A. SHENKER

Character:
or
Classification: SL 183-37
Submitting Office: b6
b7C
☐ Being Investigated

156-20-283
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SERIALIZED FILED
FEB 2 1975

cc: 92-2088
156-20
87-21177

Also Tuesday, E. Perry Thomas, a Las Vegas banker, denied that three firms in which Shenker had an interest were involved in a "check kiting" scheme to hide a \$1 million loan. Thomas said he gave an oral commitment for a \$1 million loan to back a check which, gaming officials contend, was written with insufficient funds.

Officials said a California real estate firm, Penasquitos, Inc., had received loans totaling \$91 million from the Teamsters Central States Pension Fund, but with the provision that Penasquitos would not loan money to other firms.

TO HIDE A \$1 million loan from Penasquitos to a Southern California spa, a complex payoff setup was devised, officials said.

A firm known as Horizons West wrote a \$1 million check in the form of a loan to the spa, even though Horizons had only \$88,000 in its bank account. The spa passed the check on to Penasquitos, thus paying off its loan from Penasquitos at the end of the month.

A few days later after the first of the month, the Penasquitos loan to the spa was renewed, and the spa in turn paid off its loan from Horizons — all before Horizons' check written on insufficient funds was returned.

Thus the monthly Penasquitos financial report to the pension fund showed no loan to the spa, officials said. Shenker held an interest in the three companies, according to gaming officials.

"Check kiting" involves writing a check without sufficient funds to cover it, then getting the funds from elsewhere into the account to handle the check before it is returned.

Thomas told the board he gave the \$1 million commitment at Shenker's request and was uncertain whether there is any record of it.

SEVERAL WITNESSES for Shenker testified there was no attempt to hide the Penasquitos loan to the spa. They also said the loans did not violate a later agreement between Penasquitos and the Teamsters.

Shenker himself testified only briefly on the loans, saying he had "very little knowledge of the operations" of the corporations before the death of his business partner, Kahn, in September, 1973.

He said that since he became active in the business, the Teamsters trustees had never mentioned that the loans to the spa by Penasquitos were prohibited.

Asked why the trustees were not at the hearing to clear up the matter, Shenker said they were reluctant to appear voluntarily because of the many investigations now under way into the fund.

Shenker said he has a \$17 million commitment from the pension fund with which to buy the remaining Dunes stock and added, "It certainly is reasonable to assume that if they (trustees) didn't like something, they wouldn't continue to do business with me to that extent."

PLAINTEXT

2/4/75

TELETYPE

NITEL

TO: SAN FRANCISCO (156-43)

FROM: SACRAMENTO (92-645) (P)

MORRIS A. SHENKER, AKA; IRVIN JULIUS KAHN

DECEASED; PIPEFITTERS UNION LOCAL 562, WLFARE AND

PENSION FUNDS, ST. LOUIS, MISSOURI; [REDACTED]

[REDACTED] WPPDA; PERJURY; OOJ; FBW; CONSPIRACY;

OO: ST. LOUIS.

RE. ST. LOUIS AIRTEL TO HOUSTON, JANUARY 28, 1975.

FOR INFORMATION OF SAN FRANCISCO AND OFFICE OF
ORIGIN, INVESTIGATION AT SACRAMENTO DETERMINED THAT
THE CALIFORNIA DEPARTMENT OF INSURANCE IS HEAD-
QUARTERED AT 1407 MARKET STREET, SAN FRANCISCO.
THAT DEPARTMENT ONLY MAINTAINS A SMALL DISTRICT
OFFICE AT SACRAMENTO. [REDACTED] DEPARTMENT OF
INSURANCE, SACRAMENTO, ADVISED THAT THE PERSON TO
CONTACT AT STATE HEADQUARTERS, SAN FRANCISCO, FOR
INFORMATION CONCERNING THE LEGALITY OF "WRITE-OVERS"
AND OTHER VIOLATIONS OF STATE INSURANCE CODE REGULATIONS

1 - Sacramento
1 - St. Louis (AM)
RCD:alt
(2)

156-20-284
SEARCHED INDEXED
SERIALIZED FILED
FEB 1975

SC 92-645 PAGE TWO.

IS [REDACTED] DEPARTMENT

OF INSURANCE, TELEPHONE [REDACTED] IF [REDACTED]

IS UNABLE TO PROVIDE THE INFORMATION DESIRED, A [REDACTED]

[REDACTED] SAME

DEPARTMENT, WOULD BE A SECOND PERSON TO CONTACT.

SAN FRANCISCO AT SAN FRANCISCO, CALIFORNIA:

CONTACT ABOVE PERSONS CONCERNING INFORMATION

REQUESTED IN LEAD PREVIOUSLY SET FORTH IN REFERENCED

AIRTEL FOR SACRAMENTO.

AM COPY TO ST. L.
END.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/11/75

[redacted] Department of Insurance, State of California; 1407 Market Street, was contacted to determine the legality of "write-overs" in the issuance of title insurance policies.

[redacted] said that "write-overs", also referred to as "write-arounds" should not be done by title insurance companies in the issuance of title insurance policies unless agreed upon or approved by the interested parties. Generally, title insurance policies are issued based upon the reporting of all liens or encumbrances and any deviation from this is a violation of the law.

[redacted] stated that he would ascertain which sections of the California Insurance Code that "write-arounds" violate and obtain copies of these code sections.

156-20-285

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SERIALIZED	FILED
FEB 11 1975	

Interviewed on 2/7/75 at San Francisco, California File # SF 156-43

by SA [redacted] klc Date dictated 2/11/75

F B I

Date: 2/11/75

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL
(Priority)

WBP

TO: SAC, ST. LOUIS (156-20)
FROM: SAC, SAN FRANCISCO (156-43) (P)
SUBJECT: MORRIS A. SHENKER, aka;
ET AL
WPPDA;
PERJURY; OOJ; FWB; CONSPIRACY
OO: ST. LOUIS

Re St. Louis airtel, 1/28/75, and Sacramento teletype, 2/4/75.

Enclosed are eight copies of an interview with [redacted] Department of Insurance, State of California.

San Francisco will recontact [redacted] upon his return to San Francisco on 2/14/75.

② - St. Louis (Enc. 8)
2 - San Francisco
DGM:klc
(4)

156-20 - 286
Jg reg

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

MEMO TO PLAIN

1:35 PM NITEL FEBRUARY 13, 1975 RUC

TO: ST. LOUIS (156-200)

FROM: HOUSTON (156-300)

MORRIS A. SHEPHERD, AKA.; IRVIN JULIUS KAHN - DECEASED;
PIPEFITTERS UNION LOCAL 566 WELFARE AND PENSION FUNDS, ST.
LOUIS, MISSOURI; [REDACTED] WPPM;
PERJURY; OOJ; FPD; CONSPIRACY. OO: ST. LOUIS.

b6
b7C

RE ST. LOUIS AIRTEL TO HOUSTON, JAN. 22, 1975.

ON FEB. 13, 1975 [REDACTED]

[REDACTED] WAS CONTACTED RE [REDACTED]

b3
b6
b7C

[REDACTED] ADVISED [REDACTED]

FEB. 17, 1975.

[REDACTED] ADVISED, HOWEVER, A SUBPOENA WOULD BE REQUESTED BY
ANICO PRIOR TO FURNISHING [REDACTED]

ST. LOUIS OBTAIN SUBPOENA DUCES TECUM DIRECTED TO [REDACTED]

FOR [REDACTED]

P. END

FEISL KCM REC ONE CLR/TU

MD
2-13-75

156-20-287
rcg-
b6
b7C

STATE OF CALIFORNIA

DEPARTMENT OF INSURANCE

1407 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94103

February 7, 1975



[Redacted]
Federal Bureau of Investigation
450 Golden Gate Avenue, 6th Floor
San Francisco, CA 94102

Dear [Redacted]

You will find enclosed a photocopy of California Insurance Code Section 704 which is used by this Department in the event disciplinary action is to be taken against an insurer doing business in this State. I have also included photocopies of the insurance code sections pertaining to rebates and commissions as applicable in connection with title insurance. A copy of this Department's Bulletin 74-2 concerning title insurance rebates is also provided for your information.

Judging from the information furnished in our telephone conversation of February 7, 1975 it would appear that the title insurer involved in the transaction is acting contrary to the California Insurance Code. However, we would not be able to state this positively without a review of the title policy as issued as well as other pertinent documents.

Be assured that this Department is interested in looking into any action by a title insurer in this State that would be against public interest. We would be happy to be of any possible assistance to you in your inquiry. Further we would appreciate being advised if the U.S. Attorney should file any action against an insurer or any of its employees.

Very truly yours,
[Redacted Signature]

ELM:mn

Enclosures

152-20-288

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 17 1975	

dollars (\$100) for each month or fraction thereof during which he continues such violation. (Stats. 1935, c. 145, p. 512, § 703.)

§ 703.5 Advertisement concerning insurance or qualification to administer workmen's compensation for employers; advising employers; misdemeanor

Any person, including but not limited to persons licensed or certificated under this code or exempted from regulation under this code, who as a part of any business advertises as, or holds himself out as, qualified to advise the public concerning insurance or qualified to administer workmen's compensation for employers and who in connection with or as part of any such business also, with or without consideration, (a) suggests or recommends to an employer, or advises an employer, that the employer purchase aggregate excess or aggregate stop-loss workmen's compensation insurance, or (b) names or suggests to an employer, or advises an employer of, a nonadmitted insurer from whom such aggregate excess or aggregate stop-loss workmen's compensation insurance might be purchased, is guilty of a misdemeanor. (Added Stats. 1965, c. 1296, p. 3181, § 1.)

§ 704. Suspension of certificate; grounds; hearing

The commissioner may suspend the certificate of authority of an insurer for not exceeding one year whenever he finds, after proper hearing following notice, that such insurer engages in any of the following practices:

- (a) Conducting its business fraudulently.
- (b) Not carrying out its contracts in good faith.
- (c) Habitually and as a matter of ordinary practice and custom compelling claimants under policies, or liability judgment creditors of the insured, to either accept less than the amount due under the terms of the policies or resort to litigation against such insurer to secure the payment of the amount due.

The order of suspension shall prescribe the period of such suspension.

The proceedings shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted therein. (Stats. 1935, c. 145, p. 513, § 704, as amended Stats. 1941, c. 311, p. 1455, § 1; Stats. 1945, c. 901, p. 1671, § 3; Stats. 1959, c. 1452, p. 3734, § 1.)

Article 6. Rebates and Commissions

§ 12403. Repealed. Stats. 1973, c. 1130, § 11

See, now, § 12401.9.

§ 12404. Prohibited acts; commissions; advances; disbursements

No title insurer, no controlled escrow company, and no underwritten title company shall pay, either directly or indirectly, any commission, or any part of its fees or charges or any other consideration as an inducement for or as compensation on any title insurance business or any escrow or other title business in connection with which a title policy is issued, to any of the following:

(a) Any owner or prospective owner, lessee or prospective lessee of real property or any interest therein.

(b) Any obligee or prospective obligee of an obligation secured or to be secured either in whole or part by real property or any interest therein.

(c) Any person who is acting as or who is in the business of acting as agent, representative, attorney or employee of any of the persons described in subdivision (a) or (b).

An advance or payment of money by a title insurer, a controlled escrow company or an underwritten title company into an escrow to facilitate the closing thereof, other than (1) any sum that represents the proceeds of a loan made in the ordinary course of business and in compliance with the provisions of section 1176 of the Insurance Code, or (2) an advance of not to exceed 2 percent of the sales price of the real property being sold or exchanged through the escrow or the amount of any loan secured by real property involved in the escrow, whichever is greater, or (3) the extension of credit for the costs, fees and expenses of the escrow or of the title insurance issued or to be issued in connection therewith or an advance therefor, shall be deemed a consideration offered as an inducement for title insurance business and therefore an unlawful rebate.

Any disbursement of escrow funds by a title insurer, a controlled escrow company or an underwritten title company before the conditions of the escrow applicable to such a disbursement have been met shall be deemed a consideration offered as an inducement for title insurance and therefore an unlawful rebate. (Added Stats. 1949, c. 891, p. 1660, § 2,

as amended Stats. 1963, c. 2156, p. 4499, § 1; Stats. 1967, c. 1036, p. 2638, § 1.)

~~§ 12404.1 Title report; charges; waiver~~

The furnishing of a title report by any title insurer, controlled escrow company or underwritten title company, without charge to any person shall constitute a violation of section 12404. The charge for a title report must have a reasonable relation to the cost of production of the report but in no event shall it be less than the rate for a standard owners policy, minimum liability, as set forth in the company's rate schedule. After billing any person for a title report the title insurer, controlled escrow company or underwritten title company shall promptly make a good faith attempt to collect; provided, however, that notwithstanding the provisions of section 12404, but without limiting the applicability of such section to other transactions, this charge may be waived or canceled, if the company follows uniform practices as to all customers under like circumstances.

(a) After the issuance of the title report, but before the charge is waived or canceled, the files of the issuing company contain a copy of a bona fide sales or exchange agreement, or loan commitment executed by the party or parties in interest relating to the property described in said report, and the sale, exchange, or loan is not consummated.

(b) When the title report so furnished contains a lien or encumbrance or other title defect which the issuing company has refused to eliminate from its policy of title insurance or to provide insurance against loss by reason thereof, and another title insurance company has eliminated such lien or encumbrance or other title defect from its policy of title insurance or provided insurance against loss resulting therefrom within a reasonable period of time from the date of the issuance of said title report.

The furnishing of the name of the owner of record and the record description of any parcel of real property shall not be deemed to be a violation of section 12404. (Added Stats. 1967, c. 1036, p. 2638, § 2.)

§ 12404.5 Personal or controlled insurance

As used in this section "personal or controlled insurance" means a policy of title insurance, or insurance as to the identity, due execution and validity of any note or bond secured by mortgage, or the identity, due execution, validity and recording of any such mortgage, or any

other service afforded by title insurers the rate for which is required to be filed by Article 5.5 (commencing with section 12401) of this chapter, where the insured or one of the insured under such policy is, or the loss thereunder is payable to, an underwritten title company, a controlled escrow company, or an issuing agent, or

(a) If such underwritten or controlled company or issuing agent is a natural person: (1) his spouse, his employer or his employer's spouse, or (2) any person related to him or the persons mentioned in (1) of this paragraph within the second degree by blood or marriage, or (3) if his employer is a corporation, any person directly or indirectly owning or controlling a majority of the voting stock or controlling interest in such corporation, or (4) if his employer is a partnership or association, any person owning any interest in such partnership or association.

(b) If such underwritten or controlled company or issuing agent is a corporation: (1) any person directly or indirectly owning or controlling a majority of the voting stock or controlling interest in such corporation, or (2) any corporation which is directly or indirectly controlled by a person who also controls the underwritten title company, controlled escrow company, or issuing agent, as described in (1), or (3) any corporation making consolidated returns for United States income tax purposes with any corporation described in (1) or (2) of this paragraph.

If the fees and charges for personal or controlled insurance so issued in any one calendar year received by an underwritten title company, a controlled escrow company or an issuing agent exceed the fees and charges received for other title insurance issued at the instance or request of such underwritten title company, controlled escrow company or issuing agent in the same year, the excess is an unlawful rebate. Violation of this section by a title insurer shall not be subject to the penalty provided for in section 12409. (Added Stats. 1953, c. 1041, p. 2509, § 1, as amended Stats. 1973, c. 1130, § 13.)

No appropriation or reimbursement for local agency costs in implementing Stats. 1973, c. 1130, see note under § 104.

§ 12405. Unlawful rebates

No title insurer, no controlled escrow company, and no underwritten title company shall make any rebate of any portion of the fee or charge shown by the schedule required by section 12401. No title insurer, no controlled escrow company and no underwritten title company shall

quote any fee or make any charge for a title policy to any person which is less than that currently available to others for the same type of title policy in a like amount covering property in the same county and involving the same factors as set forth in its then currently effective schedule of fees and charges. The amount by which any fee or charge is less than that called for by the then currently effective schedule of fees and charges of the title insurer is an unlawful rebate; provided, that nothing contained in this article shall prohibit bulk rates or special rates for customers of prescribed classes if such bulk or special rates are provided for in such schedule. (Added Stats. 1949, c. 891, p. 1660, § 2.)

§ 12405.7 Unlawful payments for certain promotional material or certain evidence of title

In addition to other acts prohibited by this article, no controlled escrow company or title insurer or other person engaged in the business of selling or furnishing to the public, directly or indirectly, evidence to title or real property shall:

(a) Pay for or furnish or offer to pay for or furnish any part of the advertising or promotional material of the customer in connection with the sale or encumbrance of real property.

(b) Pay or offer to pay for any evidence of title or copy or contents thereof not produced or issued by such person or company if such evidence of title relates to a current real property transaction, except as provided in section 12412. (Added Stats. 1965, c. 360, p. 1466, § 1.)

§ 12406. Issuance of policy in connection with unlawful rebate

No title insurer shall issue any title policy in any transaction in connection with which it or any person which is a controlled escrow company or underwritten title company by reason of its relationship with such title insurer has paid or contemplates paying any commission in violation of section 12404 or in connection with which it or any such controlled escrow company or underwritten title company has made or contemplates making any unlawful rebate in violation of section 12405. (Added Stats. 1949, c. 891, p. 1660, § 2.)

§ 12407. Examination of books, records, and accounts

The commissioner, if he has reason to believe that any controlled escrow company or any underwritten title company has violated or is vio-

lating any of the provisions of this article, has the power and it is his duty to forthwith examine its books, records and accounts and in making any such examination he has all the power set forth in Article 4, Chapter 1 of Part 2 of Division 1 of this code and any company so examined shall pay to the commissioner the cost of such examination on demand. Whenever the commissioner examines a title insurer, he shall make such examination of its books, records, and files as may be necessary in his judgment to determine whether or not it has violated or is violating any of the provisions of this article. (Added Stats. 1949, c. 891, p. 1660, § 2.)

§ 12408. Annual statement

Every title insurer shall include in its annual statement furnished the commissioner pursuant to Article 10 (commencing with section 900), Chapter 1, Part 2, Division 1 of this code, the name of each person which is a controlled escrow company or underwritten company by reason of its relationship with such title insurer. (Added Stats. 1949, c. 891, p. 1660, § 2, as amended Stats. 1967, c. 95, p. 2, § 1010; Stats. 1967, c. 689, p. 2057, § 5.)

§ 12408.1 Notice of termination

Whenever a title insurer terminates its underwriting agreement with any underwritten title company, it shall at the same time give notice of the termination to the commissioner. (Added Stats. 1972, c. 578, § 1.)

§ 12409. Penalty for unlawful rebate

Every title insurer and every controlled escrow company and every underwritten title company which pays any commission or which makes any unlawful rebate in violation of this article shall be liable to the people of California for five times the amount of any such commission or unlawful rebate, the amount thereof to be recovered by the commissioner pursuant to section 12976 of this code in addition to any other penalty imposed by law. (Added Stats. 1949, c. 891, p. 1661, § 2.)

§ 12410. Commissioner's enforcement remedies

In enforcing any of the provisions of this article, the commissioner shall be entitled to the remedies provided for in section 12928.6 of this code. (Added Stats. 1949, c. 891, p. 1661, § 2.)

§ 12411. Suspension or revocation of certificate of authority; grounds

The commissioner may after a hearing suspend or revoke the certificate of authority of any title insurer or the license of any underwritten title company licensed pursuant to the provisions of section 12396, which, after 10 days' written notice from the commissioner requiring it to comply with the provisions of this article willfully fails to do so. (Added Stats. 1949, c. 891, p. 1661, § 2, as amended Stats. 1965, c. 360, p. 1466, § 2.)

§ 12412. Division of fees

Nothing in this article prohibits the division of fees or charges between title insurers or between title insurers and underwritten title companies or between underwritten title companies, if such division does not constitute an unlawful rebate as defined by section 12404.5 or prohibited by section 12405.7; provided, that a title insurer shall specify on any title policy issued by it, either in a single amount or by itemization, the entire charge made to obtain such title policy, including the charges made by any underwritten title company for the title search, title examination, certificate or abstract of title upon the basis of which such title policy is issued. If so specified in a single amount, such charge shall be clearly described as the total charge for both the title insurance fee and the title search or examination, or abstract of title, as the case may be, of any underwritten title company. Notwithstanding the other provisions of this article no title insurer, no controlled escrow company and no underwritten title company shall pay any commission for the solicitation or negotiation of title policies, indorsements, guarantees and any other forms of title services. (Added Stats. 1949, c. 891, p. 1661, § 2, as amended Stats. 1953, c. 1041, p. 2510, § 2, Stats. 1965, c. 360, p. 1467, § 3.)

Article 6.7 Hearings, Procedure, and Judicial Review

§ 12414.13 Request for review; denial; complaint; request for hearing

Any person aggrieved by any rate charged, rating plan or rating system followed or adopted by a title insurer, underwritten title company, or controlled escrow company may request such person or entity to review the manner in which the rate, plan, system, or rule has been applied with respect to insurance or services afforded him. Such request may be made by his authorized representative, and shall be written. If the re-

STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE

BULLETIN NO. 74-2

January 9, 1974

TO: ALL TITLE INSURERS, UNDERWRITTEN TITLE
COMPANIES, CONTROLLED ESCROW COMPANIES
AND OTHER INTERESTED PERSONS

SUBJECT: TITLE INSURANCE REBATES

This Bulletin is being issued in response to the many inquiries received by this Department relating to the propriety of certain business practices under Section 12404 of the California Insurance Code. Section 12404 proscribes the payment, either directly or indirectly, to certain classes of persons with specified interests in real property or to such persons' agents or representatives, of any commission, rebate or other consideration as an inducement for or as compensation on any title insurance business or any escrow or other title business in connection with which a title policy is issued. In the vast majority of real estate transactions, the purchaser or seller is channeled into acquiring title insurance from a particular company by virtue of some other selection already made in the transaction, such as the selection of a real estate broker or salesman, escrow holder, or lender.

Purchasers or sellers of residential property who must pay for the almost universally required policy of title insurance seldom make a conscious selection of a title insurer on the basis of comparisons of product cost, quality, or service. Rather, the selection is usually made by the agent or representative of the person required to pay for the title policy and, as a consequence, the title industry's competitive effort has been aimed at the agent or representative. While the representative has a fiduciary relationship to the purchaser or seller, cost or service features of the transaction of potential benefit to the purchaser or seller may be subordinated to other considerations found to be personally desirable or beneficial to the representative. As a result the opportunity for enrichment of the representative may be placed in a higher order of priority than the opportunity of securing for the person required to pay for the policy of title insurance the best product in terms of cost or service.

-MORE-

In a free and competitive consumer-oriented market, prices are generally restrained by competition. If the selection of the title service or product is made by a person whose primary interest in the transaction is a collateral benefit flowing to him from the title entity, the motivation for the selection by such person may not be in the best interest of the consumer. However, if consideration of any kind to the party making the selection of the title service or product is eliminated, it is reasonable to assume that the person making such selection will then be motivated by other considerations in channeling or directing title business, where such channeling or directing is unavoidable. It is further assumed that when there is no possibility of a material personal benefit or rebate to the representative of the seller or buyer, said representative would either make no recommendation or would recommend a listing of title companies known to be competitive in terms of price or service in order to protect his own business reputation or his own competitive position.

Recognition of the potential for treating the interests of the consumer as secondary to those of the consumer's agent or representative, created by the fact that the competition that exists is not at the level of the true consumer, goes to the heart of the anti-rebate provisions in the Insurance Code. Those provisions serve as a cornerstone of the effort to maintain a fair and competitive business environment that will serve the needs as well as the best interests of the ultimate purchaser of the title product or service.

The Department has recently received an increasing number of reports and complaints to the effect that certain business practices in violation of the anti-rebate provisions of the Insurance Code are occurring. According to these allegations, the reported activities violate both the letter and the spirit of the law as set forth in the Insurance Code, and as interpreted in Bulletins No. NS-35, A-F. Additionally, the title industry in general is in doubt as to certain other reported activities considered by some industry members to be not in violation of the law, said activities having not been previously subjected to the Department's scrutiny, which activities may nevertheless be viewed by the Department as being in violation of the applicable Insurance Code sections as interpreted by the Commissioner.

Accordingly, it is now deemed necessary to update the regulatory thrust of Bulletins No. NS-35, A-F, by issuing a new list of prohibited activities, which listing supersedes Bulletins No. NS-35, A-F, but in practical effect merely adds to the list of prohibited activities set forth in that series of Bulletins. In some instances, the prohibited activity defined in the following list is deemed an unlawful rebate under Insurance Code Section 12404 whether the benefit is merely offered as an inducement for title business or there has actually been a tendering

and acceptance of the benefit. In every instance the defined activity is prohibited whether done directly or indirectly, i.e., whether done or caused to be done by the title entity or done or caused to be done by an affiliate of the title entity. The word "affiliate" means any person or business entity who, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, a title entity.

As used in the following list of prohibited activities, the term "title entity" refers to a title insurer, underwritten title company, or controlled escrow company. The word "person" and the term "such person", as used in this list of prohibited activities, includes any person or business entity defined in subsections (a), (b), or (c) of Section 12404.

This Bulletin supersedes Bulletins No. NS-35, A-F, and may supersede Bulletins No. 69-11 and 70-6, depending on an opinion of the Attorney General, recently requested but not yet received. If in the opinion of the Attorney General sub-escrows may be handled by title entities for, or on behalf of, other escrow holders, Bulletins No. 69-11 and 70-6 will remain in full force and effect until further notice.

The still relevant provisions of Bulletins No. NS-35, A-F, have been restated in the following enumerated paragraphs and, therefore, it should be noted that the NS-35 series of Bulletins have for that reason been repealed. The Department finds the following alleged or questioned practices and activities to be in violation of the anti-rebate provisions of the Insurance Code:

- 1) Charging either more or less than the scheduled rate for a specified title or escrow service or for a policy of title insurance, or for the combined rate charged for one or more of the foregoing. A specified title service is any service defined in the title entity's filed schedule of rates and charges or such schedule in use by the title entity.

- 2) Waiving, or offering to waive, all or any part of the title entity's established fee or charge for services which are not the subject of rates filed with the Department.

- 3) Furnishing a preliminary title report, printed copies of covenants, conditions, and restrictions, or plats, maps, and like materials, without charge to any person. The charge for the above-mentioned reports and materials must have a reasonable relation to the cost of production and the charge shall be the same to all persons. It is permissible for a title entity to give out only the name of the ostensible owner of record of any parcel of real property without charge and it is

permissible for a title entity to credit the amount paid for the aforementioned reports and materials against the charge or premium billed for a policy of title insurance subsequently issued to the same individual or business entity on the same parcel of real estate.

4) Furnishing reports containing publicly recorded information, appraisals, estimates of income production potential, information kits or similar packages containing information about one or more parcels of real property (other than as permitted under Section 3, above) helpful to any such person without making a charge that is commensurate with the actual cost of the work performed and the material furnished.

5) Delaying the issuance of a policy beyond the close of escrow and crediting or deferring the charge therefor in order to "qualify" a later transaction for a lower rate.

6) Charging a subdivision discount rate which is not applicable in the particular transaction because the volume required to qualify for the discount includes ineligible lots or parcels.

7) Collecting only a portion of the applicable charge for a binder initially, and waiving the balance if no subsequent transaction occurs. (Cross reference the prohibition against furnishing a preliminary title report, printed copies of covenants, conditions, and restrictions, or plats, maps, and like materials without charge, above.)

8) Paying for, or offering to pay for, the cancellation fee, the fee for the preliminary title report or other fee on behalf of any such person after inducing such person to cancel an order with another title entity.

9) Making or guaranteeing, or offering to make or guarantee, either directly or indirectly, any loan to any such person, regardless of the terms of the note or guarantee.

10) Guaranteeing, or offering to guarantee, the proper performance of escrow services which are to be performed by any such person.

11) Guaranteeing, or offering to guarantee, the performance of any undertaking by any such person (e.g., certifying that any such person, or another on his behalf, has funds on deposit when such fact has not been expressly verified by the title entity).

12) Providing, or offering to provide, either directly or indirectly, a "compensating balance" or deposit in a lending institution either for the express or implied purpose of influencing the extension of credit by such lending institution to any such person, or for the express or implied purpose of influencing the placement or channeling of title insurance business by such lending institution.

13) Paying for, or offering to pay for, the fees or charges of an outside professional (e.g., an attorney, engineer, appraiser, or surveyor) whose services are required by any such person to structure or complete a particular transaction.

14) Providing, or offering to provide, non-title services (e.g., computerized bookkeeping, forms management, computer programming, or any similar benefit) to any such person.

15) Furnishing, or offering to furnish, all or any part of the time or productive effort of any employee of the title entity (e.g., office manager, escrow officer, secretary, clerk, messenger, etc.) to any such person.

16) Paying for, or offering to pay for, all or any part of the salary of an employee of any such person.

17) Paying for, or offering to pay for, the salary or any part of the salary of a relative of any such person which payment is in excess of the reasonable value of work performed by such relative on behalf of the title entity as measured by the performance of any other employee of the title entity not related to any such person.

18) Paying, or offering to pay, any fee to any such person for making an inspection or appraisal of property whether such fee bears a reasonable relationship to the services performed or not.

19) Paying for, or offering to pay for, services by any such person which services are required to be performed by such person in his licensed capacity as a real estate or mortgage broker or salesman or agent (e.g., the drafting of documents that are required to be filed by such person with the title company for the initiation of an escrow).

20) Furnishing or offering to furnish, paying for or offering to pay for, furniture, office supplies, telephones, equipment or automobile to any such person, or paying for, or offering to pay for, any portion of the cost of renting, leasing, operating or maintaining any of the aforementioned items.

21) Paying for, or offering to pay for, any evidence of title or any copy of the contents thereof not produced or issued by such title entity if such evidence of title relates to a current real property transaction, except as provided in Section 12412 (which Section establishes an exemption for the customary business relationships between title entities).

22) Paying for, furnishing, or waiving, or offering to pay for, furnish, or waive, all or any part of the rent for space occupied by any such person.

23) Renting, or offering to rent, space from any such person, regardless of the purpose, at a rent which is excessive when compared with rents for comparable space in the geographic area, or paying, or offering to pay, rent based in whole or in part on the volume of business generated by any such person.

24) Paying for, or offering to pay for, entertainment, vacations, business trips, convention expenses, travel expenses, membership fees, registration fees, lodging or meals on behalf of any such person, directly or indirectly, or supplying letters of credit, credit cards or any such benefits to any such person for any purpose whatsoever.

25) Paying for, or offering to pay for, money, prizes or other things of value for any such person in any kind of a contest or promotional endeavor. This prohibition applies whether or not the offer or payment of a benefit relates to the number of title orders placed or escrows opened with a title entity or group of such entities.

26) Paying for, or offering to pay for, any advertising concerning the title entity which is to appear in a pamphlet, magazine, brochure, or any other advertising material promoted or distributed, with or without cost, or used by any such person. Examples of this kind of advertising material are advertisements appearing in newsletters distributed by real estate brokers, listings in exchange bulletins or information sheets published or paid for by a title entity, tract brochures issued by land developers or builders, jointly sponsored promotional magazines and other such advertising material.

27) Paying for or furnishing, or offering to pay for or furnish, any brochures, billboards, or advertisements appearing in newspapers, on the radio, or on television, or other advertising or promotional material published or distributed by or on behalf of any such person whether used in connection with the promotion, sale or encumbrance of real property or not.

28) Paying for or furnishing, or offering to pay for or furnish, any business form to any such person other than a form regularly used in the conduct of the title entity's business which form is furnished solely for the convenience of the title entity and does not constitute a benefit, as defined in this Bulletin, to any such person.

29) Giving of trading stamps, cash redemption coupons or similar items to any such person.

30) Advancing or paying into escrow, or offering to advance or pay into escrow, any of the title entity funds or "closing short", except as specifically permitted by Section 12404.

31) Buying from or selling to, or exchanging with, or offering to buy from or sell to, or exchange with, any such person, shares of stock in any title entity or any other business concern owned by, or affiliated with, a title entity, regardless of the price or relative value except for purchases or exchanges made through a general public offering. This prohibition also applies to the furnishing, or offer to furnish, legal or other professional services by any title entity to any such person or group of persons to assist such person(s) in the formation of a title entity. The burden will be placed on any existing title entity that invests in a new title entity formed by one or more of such persons to show that such investment does not represent a benefit coming within the prohibition of this Bulletin.

32) Paying, or offering to pay, either directly or indirectly, salary, commissions or any other consideration to any employee who is at the same time actively engaged as a broker or agent in the real property or mortgage brokerage business.

33) Contracting, or offering to contract, with any escrow holder or lending institution to receive, hold, draft, execute, deliver or otherwise handle any documents or funds for, or on behalf of, the escrow holder, with or without charge, where the duty, obligation, or responsibility for receiving, holding, drafting, executing, delivering or otherwise handling the documents or funds is ostensibly that of the escrow holder and where the fee for all, or any part, of such escrow service is billed or collected, in whole or in part, either directly or indirectly, by the escrow holder.

The listing of the foregoing items is not to be construed as definitive and, therefore, it should not be inferred that an omission from the listing constitutes a justification for engaging in a particular rebate practice which has not been specifically proscribed by statute or bulletin. To the contrary, any "special" relationship between a title entity, as

defined in Section 12404, coming to the attention of the Commissioner may be investigated with the burden placed on the title entity to show that such "special" relationship is not in violation of Section 12404 as interpreted by this Bulletin.

A "special" relationship is any relationship wherein a benefit of some kind, however small, flows between the title entity and a person as those terms are defined in the aforementioned Insurance Code Section. The definition of a "benefit" flowing to or from the title entity that would create the presumption of an unlawful rebate includes, but is not limited to, all of the aforementioned examples as well as the practice of channeling or directing title business by a person to a title entity, as the two latter terms are defined in Section 12404. A "special" relationship might here be presumed based on the flow of benefit to the title entity from such person, depending on the facts in each situation.

The word "benefit" also encompasses every kind of business or promotional activity conducted by the title entity. The presumption will not be rebutted by evidence that a benefit moving to a person named in subsection (a), (b), or (c) of Section 12404 is balanced by an equivalent consideration or value of performance moving from him to the title entity. For example, the presumption would not be overcome by evidence that a title entity's payment of money or other consideration for any services actually rendered by any such person was merely payment of the fair value of those services, and not overpayment.

Some months ago the Commissioner filed an accusation against a title company for using an employment contract under which commissions were paid to employees who were at the same time actively engaged in the real estate or mortgage brokerage business. The hearing officer from the Office of Administrative Hearings recently issued a proposed decision finding the payment of commissions ~~determined~~ to be unlawful rebates. Significantly, the decision was based not on a determination that the commissions were excessive but, rather, on a determination that the commissions offered or paid were an inducement for, or compensation on, escrow business in connection with which a title policy was issued.

It should be noted that the practice of providing sub-escrow services (receiving and disposing of documents and funds) on behalf of an escrow holder, which services are ancillary to an escrow being handled by such escrow holder, is hereby found and held to be a prohibited business activity or business function. The prohibition would apply whether the title entity is adequately compensated for providing the ancillary or sub-escrow services or not. However, in recognition of the fact that the provision of sub-escrow services by a title entity on behalf of, or for the

benefit of, an escrow holder may be in keeping with a long standing practice in the title industry and that elimination of the practice could have a profound effect on existing business relationships, enforcement action will be held in abeyance until a recently requested opinion as to the legality of the practice has been rendered by the Attorney General.

The typical relationship between a title entity and an escrow holder in such an arrangement provides a good example of a "special" relationship as defined above, and is one in which a benefit flowing each way is readily apparent. The furnishing of ancillary or sub-escrow services to an escrow holder by a title entity is deemed to be the equivalent of consideration paid as an inducement for, or as compensation on, title insurance business channeled to the title entity by the escrow holder and is therefore expressly prohibited as a violation of Section 12404.

The interpretation of Section 12404 set forth in this Bulletin is based on the concept that a "special" relationship would not exist if it did not confer mutual benefit. The bestowal of a benefit by a title entity as defined in Section 12404 on a person as defined in that Section is deemed to be a commission, rebate or other consideration tendered or paid as an inducement for, or as compensation on, title insurance business within the meaning of that Section and is therefore, an unlawful rebate. In this regard, any effort to conceal forbidden rebate activity through the devise of a special bonus or special "personal" expense account which in turn is spent in a manner that is advantageous to a title entity defined in Section 12404 shall be treated as if such expenditures flowed directly from the said title entity.

All persons subject to Insurance Code Section 12404 are admonished to read this Bulletin, including the listing of prohibited activities, as frequently as necessary to remain fully apprised of its contents. All title entities are instructed to distribute a copy of this Bulletin to every office or branch manager and escrow officer in their employ. Further, all title entities are urged to carefully instruct their employees in the character and scope of prohibited activities defined in this Bulletin. In reviewing questionable activity the Commissioner will look to the spirit as well as the letter of the law. All persons subject to Insurance Code Section 12404 and this Bulletin should be guided accordingly.

In summary, the purpose of this Bulletin is to prohibit the offer, promise, or payment of rebates. The word "rebate" has been defined as any benefit flowing between a title entity and a person as the latter terms are defined in Section 12404. The word "benefit" as used herein means anything of value. It is intended

that this Bulletin be of assistance to all title entities and the persons with whom they regularly conduct business, in determining how they may meet their respective fiduciary relationships within the limitations prescribed by law as presently written.



F B I

Date: 2-14-75

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIRMAIL
(Priority)

TO: SAC, ST. LOUIS (156-20)
FROM: SAC, SAN FRANCISCO (156-43) (P)
SUBJECT: MORRIS A. SCHENKER aka;
ET AL
WPPDA; PERJURY; OOJ; FBW;
CONSPIRACY
OO: St. Louis

Re San Francisco airtel, 2-11-75.

Enclosed are two copies of a letter from [redacted]
[redacted] California Department of Insurance, San Francisco,
containing sections of the insurance code and Bulletin 74-2.

St. Louis will note the California Department of Insurance's interest in the alleged irregularities of the Title Insurance and Trust Company, San Diego, which should be brought to the attention of the USA. //

[redacted] Argonaut Insurance Company, Menlo Park, California, has been in Los Angeles for the past week but is expected to return 2-18-75 at which time he will be interviewed.

156-20-289
SEARCHED INDEXED
SERIALIZED FILED *rcg*

2 - St. Louis (Encs. 2)
2 - San Francisco
DGM:ert
(4)

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

FEDERAL BUREAU OF INVESTIGATION

Date of transcription January 21, 1975

[redacted]
[redacted] supplied the following information:

He recalls that a procedure known as write-overs was employed by Title Insurance and Trust Company in San Diego in relation to a series of loans obtained from the Pipefitters Union Pension Fund, St. Louis, Missouri, by three companies known as Murietta Hot Springs, Mission Hills Enterprises, and BAI, Incorporated. [redacted] stated that each of these companies was jointly owned by IRVIN KAHN and MORRIS SHENKER prior to KAHN's death in September, 1973. After that date, SHENKER became sole owner of each of the companies.

[redacted] explained that the term write-over refers to a procedure whereby the title company issued a title insurance policy to the Pipefitters Pension Fund wherein any reference to prior existing deeds of trust had been deleted relating to certain properties collateralizing the Pipefitters' loan.

[redacted] stated that [redacted]
[redacted]

[redacted] stated that there is absolutely no question in his mind that SHENKER knew that write-overs were going to be involved in these loans because of the fact that one of the companies, BAI, collateralized its loan from the Pipefitters with numerous pieces of property which it had obtained from SHENKER personally. [redacted] stated that BAI, in fact, used a portion of the Pipefitters loan proceeds to buy these properties from SHENKER, as well as from a company known as K Development Company. [redacted] stated that K Development Company was completely controlled by SHENKER and was located in SHENKER's law office in St. Louis, Missouri.

[redacted] stated that when BAI acquired the above properties from SHENKER, SHENKER actually retained a half interest in the property because he was half owner of BAI. In effect, SHENKER transferred property he wholly owned to a company he half owned and thus retained a half interest

Interviewed on 1/14/75 at San Diego, California File # SL 156-20-290

by SA [redacted] :pdp Date dictated 1/17/75

SL 156-20

in the properties while being paid off in full for his interests in the property.

When BAI acquired the property from SHENKER, it issued a promissory note to SHENKER for the purchase price. If something happened later on where BAI could not pay off the note, in effect, it would just be a case of SHENKER owing himself the money due in the note because SHENKER is now 100% owner of BAI.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1-17-75[redacted]
[redacted]
[redacted] telephone

[redacted] supplied the following information:

[redacted]
[redacted]
[redacted] All of these transactions with SHENKER are contained in a TI file referred to as Holding Agreement 90.

[redacted] explained that a holding agreement is actually an "agency" agreement instead of a trust agreement. Under a holding agreement, TI agrees to hold the title to a parcel of real estate in its name instead of the true owner's name and is in effect acting as a "straw party" for the true owner. [redacted] stated that this was the case as far as the holding agreement with SHENKER was concerned.

[redacted]
[redacted] stated that he does not know the nature of the relationship between [redacted] and SHENKER or how it came to be that [redacted] represented SHENKER except for the fact that [redacted] used to work for Penasquitos Incorporated of which SHENKER was a part owner.

[redacted] stated that many of the holding agreements were signed personally by SHENKER; however, there were also some involving SHENKER wherein the holding agreement was actually issued in the name K Development Company. These holding agreements for K Development Company were signed by an individual named [redacted] whom [redacted] in SHENKER's law office in St. Louis.

[redacted] stated that even though TI held titles

Interviewed on 1-14-75 at San Diego, California File # SL 156-20-291

by SA [redacted] SS [redacted] Date dictated 1-16-75

SL 156-20

for properties for SHENKER, TI would not perform any other duties under these holding agreements. Therefore, SHENKER personally had to take care of making the payments on the properties, paying the taxes, etc.

[REDACTED] SHENKER was always aware of who the lien holders were and that SHENKER would always perform any duties imposed upon him by the prior liens on the properties.

At this point, [REDACTED] stated he had been served with a Federal Grand Jury subpoena duces tecum calling for [REDACTED] and he thereupon made available to the interviewing Agent [REDACTED]

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[REDACTED] was then questioned regarding a procedure known as "write-overs" wherein a title insurance policy had been issued to the Pipefitters Union Pension Fund in St. Louis deleting any reference to prior deeds of trust existing on the properties being held by SHENKER under Holding Agreement 90 which had been turned over to a company called BAI Incorporated to collateralize a 6½ million dollar loan from the Pipefitters. [REDACTED]

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b7C

[REDACTED] His recollection is that [REDACTED] of the San Diego TI Office, was the only individual who approved the "write-overs".

SL 156-20

[REDACTED]

[REDACTED] stated that to his knowledge the only loan that had any "write-overs" on it involving the Pipefitters was BAI Incorporated which was owned by both SHENKER and KAHN. [REDACTED] also stated that he does not recall there ever being any conversation whatsoever in the presence of the Pipefitters Union Attorney or representatives relative to the "write-overs". [REDACTED] also stated that he has no knowledge of who actually asked TI to utilize the "write-over" procedure. However, [REDACTED]

[REDACTED]

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1-27-75

[redacted]
[redacted] California,
telephone [redacted] supplied the following
information:

He has been employed in the title and title insurance business for over [redacted] years and has become aware of a practice referred to as "write-overs". He stated that this procedure involves the issuance of a title insurance policy wherein any reference to a mechanics lien or tax lien has been deleted. He stated, however, that while some companies may engage in this practice on a very limited basis, it is by no means prevalent or common in the title insurance business in the San Diego area.

[redacted] further explained that from time to time there may be slight delays in having a prior deed of trust reconveyed after it has been paid up, however, this is not a write-over, because the new lender is always made aware of it. Additionally, in a situation such as delayed reconveyance, the escrow proceeds from the new loan are being used to pay off the prior loans.

[redacted] stated that the utilization of the "write-over" procedure is a very bad business practice and a company could sustain financial losses utilizing same as well as being subjected to civil suit if a problem should arise.

[redacted] also stated that the issuance of a title insurance policy deleting prior liens from same and not making this fact known to the new lender could be considered fraud. He additionally stated that this procedure would also be placing the title insurance company in the casualty insurance business rather than title insurance business.

[redacted] further states that if a borrower came to him and asked him to engaged in a write-over, it would immediately indicate to him that the borrower was having serious financial difficulties and he would turn the business down.

[redacted] also stated that if the title insurance company

Interviewed on 1-20-75 at San Diego, California File # SL 156-20-292

by 

SA

SS

Date dictated 1-23-75

SL 156-20

engaging in the "write-over" procedure was a publically held company, any losses suffered by that company would ultimately be passed on to the shareholders in the form of reduced dividends or a decrease in the stock.

[] also stated that if the escrow instructions to the title company called for the release of the escrow funds only under certain conditions, any circumvention of those conditions and subsequent release of the monies would be unethical and possibly illegal on the part of the title company.

Upon conclusion of this interview, []
stated that []
[]
for [] and that in 1956 this company was acquired
by the Title Insurance and Trust Company (TI). []
[]

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2-3-75

[redacted]
[redacted] was interviewed at the Union's Headquarters on Columbia Bottoms Road and after being advised of the identity of the interviewing Agent, was further advised that the interview related to a series of loans granted by the Pension and Welfare Funds of that union to a number of corporations in Southern California. [redacted] provided the following information:

[redacted]

He stated that his recollection is that each of these loans was granted on the basis that the funds would be given a first deed of trust on each of the parcels of real estate being pledged as security for the loan by the above three companies. At the time the loans were granted, there was no discussion whatsoever regarding the Pipefitters Funds being given anything less than a first deed of trust on these properties.

[redacted] was then questioned specifically regarding the 6.5 million dollar loan to BAI Incorporated and he stated that [redacted]

[redacted]

Interviewed on 1-27-75 at St. Louis, Missouri File # SL 156-20-293

by SA [redacted] : SS Date dictated 1-30-75

SL 156-20

[redacted]

[redacted] stated that [redacted]

[redacted]

[redacted] stated further that both IRVIN KAHN and MORRIS SHENKER were personally present at each of the loan presentations and that these two individuals personally represented the companies applying for the loans. [redacted] further stated that both KAHN and SHENKER actively participated in these loan presentations and neither of them ever said anything other than the fact that the funds would be given first deeds of trust on certain parcels of real estate to secure the loans being applied for. There was never any mention of anything called "write-overs".

[redacted] stated that the primary reason the funds granted these loans was to receive the interest payments on same. He stated that the trustees have recently been concerned about the fact that the interest has been greatly overdue on the loans. He stated that in order to remedy this situation, the funds trustees agreed to accept a new note in the amount of the delinquent interest on the Murietta Hot Springs loan and the Mission Hills loan. He stated, however, that the BAI loan is still approximately \$500,000 delinquent as far as interest is concerned.

SL 156-20

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b7C

In relation to the fact that the Pipefitters are holding second deeds of trust on some of this property at the present time, they have been concerned about the possibility of the first deedholder filing foreclosures on the properties. However, they feel that the title company that insured the title to these properties would have to rectify the situation and reimburse the Pipefitters for any losses suffered.

At the conclusion of this interview, [] stated that the funds' attorney, [] is the individual who handled the fine details of these loans and that the trustees relied heavily upon his advice. If [] recommended against making a loan, the trustees normally would not go against him. For this reason, [] did not feel that [] was aware of the other deeds of trust outstanding on the BAI properties because he would have brought it to the attention of the trustees.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/27/75

[redacted] was advised that he was being re-interviewed regarding certain aspects of loans made by the Pipefitters Pension Fund to certain companies owned by MORRIS SHENKER and IRVIN KAHN. [redacted] supplied the following information:

One of these loans was in the amount of 6½ million dollars to a company known as B.A.I., Incorporated. The escrow agreement covering this loan was handled by Title Insurance and Trust Company (TI) in San Diego, California. The escrow agreement instructed that TI was not to release 3 million dollars of the loan proceeds until such time as all prior liens and encumbrances on the property collateralizing the loan were released from record and the Pipefitters issued a first deed of trust on the property. He personally feels that TI violated this escrow agreement because it did not hold this money as instructed and he has subsequently learned that all prior liens on these properties were not released and some, in fact, are still on record.

[redacted]

[redacted]

The Pension Fund trustees have been quite disturbed about the serious delinquencies on these loans and as a result, the three loans to Murietta Hot Springs have recently been restructured by the Pipefitters accepting a new note in the amount of the delinquent interest.

[redacted] stated that he was not aware of any write overs on prior deeds of trust on any of the properties

Interviewed on 1/23/75 at St. Louis, Missouri File # SL 156-20-294
by SA [redacted] :kmt Date dictated 1/24/75

SL 156-20
TRP:kmt

involved with these loans until this was brought to his attention in early 1974 by Federal authorities.

[redacted]
[redacted] there is "no way" that the trustees would have made any of these loans if they had known there would have been write overs of prior deeds of trust or that they were receiving anything less than a first deed of trust at the time of the loan. He stated that [redacted]

[redacted]
[redacted] pointed out, however, that this never occurred.

He further stated that he is aware of the fact that Murietta Hot Springs is having serious financial problems and is losing approximately \$400,000 per month. He stated that SHENKER is the owner of this property and is out of collateral and thus unable to obtain any additional loans for Murietta. In view of this fact in conjunction with the delinquencies on the loans and the write overs, the Pension Fund trustees have considered foreclosure but do not really want to do so because of the extreme difficulties that would be involved in disposing of properties that are losing money. Additionally, the costs of foreclosure would be extremely large and if foreclosure would be completed, this would place the Pipefitters in the position of having to operate a resort area and having to sell large quantities of real estate which they do not want to do.

[redacted] stated that both KAHN and SHENKER would always personally appear before the Pension Fund trustees and negotiate each loan together. At the closing of the loans, both KAHN and SHENKER were also personally present

[redacted]

SL 156-20
TRP:kmt

[redacted]

[redacted] further stated that if SHENKER, in fact, knew of the write overs at the time he and KAHN were negotiating for the Pipefitters loans, SHENKER would have been committing outright fraud against the Pension Fund because of his representations regarding giving the Pipefitters first deeds of trust on these pieces of property.

[redacted] further advised that he has recently heard that write overs are a common business practice in the Title Insurance field but he does not believe this information. He went on to say that [redacted]

[redacted] and has never run across this practice nor heard of it before. He stated that he has learned that in the St. Louis area, on a very limited basis, a procedure known as "insured overs" is infrequently employed, however, whenever this is done, it is done only on small mechanics liens and there is always full disclosure to the lender involved in the transaction.

Upon conclusion of this interview, [redacted] reiterated the fact that at no time did either KAHN or SHENKER ever make any representations to the Pipefitters Pension Fund trustees regarding anything other than first deeds of trust on the pieces of property involved in the loans.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1-31-75

[redacted]
[redacted]
[redacted] telephone [redacted] was advised of the identity of the interviewing Agent and of the fact that he was being contacted regarding his knowledge of a series of loans granted by Pipefitters Union Local 562 Pension and Welfare Funds to three corporations located in southern California. [redacted] supplied the following information:

[redacted]
[redacted]

[redacted] He stated that his recollection is that there were five loans altogether totaling 24 million dollars with three loans having been granted, a company called Murietta Hot Springs, one loan to Mission Hills Enterprises and one loan to a company known as BAI Incorporated.

He stated that each of these loans was personally negotiated by MORRIS A. SHENKER and IRVIN J. KAHN who were representing each of the companies applying for the loans.

[redacted]
[redacted]

[redacted] also stated that he specifically recalls that all of these loans were made on the premise that they would be secured by first deeds of trust and nothing less than that. He also recalls that the deeds of trust were not to be subordinated in any manner to any other deeds of trust. He stated that [redacted] trustees were very adamant about this fact and there was never any discussion whatsoever about the funds receiving a second or third deed of trust. He also went on to state that when the trustees required first deeds of trust that this did not mean merely a certificate of title insurance guaranteeing

Interviewed on 1-29-75 at St. Louis County, Mo. File # SL 156-20-295

⑧

SA [redacted]

SS

Date dictated

1-30-75

SL 156-20

them a first deed of trust at some later date but meant the issuance of a clear first deed of trust when the loans were granted.

[REDACTED]

[REDACTED] had learned of this fact after being interviewed by the Federal Bureau of Investigation and after appearing before a Federal Grand Jury. [REDACTED]

[REDACTED]

He further stated that [REDACTED]

[REDACTED]

SL 156-20

[REDACTED]

[REDACTED]

[REDACTED] was not aware of the "write-overs" either at that time.

[REDACTED] both SHENKER and KAHN being personally present and actively participating in each loan presentation before the Board of Trustees of the Pipefitters Pension and Welfare Funds. The only other person that ever attended any of these presentations in addition to KAHN and SHENKER on behalf of those companies was [REDACTED] who appeared to be well versed in the various construction projects that KAHN and SHENKER were contemplating for the properties upon which the Pipefitters' loans were to be applied. [REDACTED] stated that the actual presentations relating to the terms, conditions and purposes of the loans were made by KAHN and SHENKER equally even though KAHN was the one that went into much more detail regarding what the purposes of the loans were to be. [REDACTED] both KAHN and SHENKER made representations to the fund trustees regarding the loans being secured by first deeds of trust and both were made aware of the fact that this was definitely one of the conditions upon which granting of the loans would be predicated. [REDACTED] stated that this fact was made perfectly clear to KAHN and SHENKER and there was no room whatsoever for any doubt in their minds as to this condition. [REDACTED]

[REDACTED]

SL 156-20

[REDACTED]

[REDACTED] also stated that serious problems still remain with these loans [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] He stated, however, that to his knowledge the BAI loan is still seriously delinquent. He also stated that he understands that the property securing the Mission Hills loan has recently been sold and there should soon be a drastic paydown on that loan, if not payment in full. He stated that the trustees are not really interested in foreclosing on the property at this time because they would have severe problems in liquidating same due to the current economic situation. Based on this, they have decided to try and "ride it out" and see what happens on the loans. He added that the main concern of the trustees has been to receive the interest on these loans inasmuch as this was the original reason for them having granted the loans. He also stated that the trustees do not want to get into the real estate business and they would be forced into doing so if they had to foreclose on these properties. [REDACTED] stated additionally that in order to bring these loans current, they had to continually apply pressure to SHENKER and he has thereafter partially complied with their instructions.

At the conclusion of this interview, [REDACTED] stated that at no time since the "write-overs" were discovered has SHENKER ever contacted the trustees and afforded any explanation for same. [REDACTED] stated, however, that

SL 156-20

he does not know if [] as had any contact with SHENKER regarding this matter. [] also stated that he feels that fraudulent representations were made to the trustees by Title Insurance and Trust Company in order to influence the granting of these loans and he also personally feels that they would not have done this unless they had been urged to do so by KAHN and SHENKER.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1-31-75

A Federal Grand Jury subpoena duces tecum issued by the U. S. District Court Clerk for the Eastern District of Missouri was served upon [redacted] on January 22, 1975.

This subpoena commanded the production of [redacted]

[redacted]

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Upon receipt of this subpoena, [redacted] stated that [redacted] he would make same available pursuant to the above subpoena.

Interviewed on 1-22-75 at Las Vegas, Nevada File # 156-20 - 296

by SA [redacted] SS [redacted] Date dictated 1-28-75

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/18/75

[redacted] home telephone number [redacted] was contacted and he furnished the following information to the below-listed questions:

1. This pertains to their sale of parcel #2 which is described as:



The deed of trust dated July 24, 1969 in the amount of \$46,147.20 listing title insurance and trust (TIT) as trustee under holding agreement 90 (HA 90) and [redacted] as beneficiaries. Recorded July 25, 1969 under Recorder's Number [redacted]

#1 question: Date they acquired the property and amount they paid for same?

[redacted] said this property was willed to him by his father [redacted] in 1941 when his father died. He said his father bought this property for delinquent taxes in the early 1930's.

#2 question: Date they sold property or granted loan on same to MORRIS SHENKER or Title Insurance and Trust Company under Holding Agreement 90 (HA 90)?

July 24, 1969

#3 question: Is the amount of that loan or the amount of the sale of the property?

Original sale price \$60,000; amount of the loan \$46,147.20

Interviewed on 2/12/75 at [redacted] File # Phoenix 156-13

by SAs [redacted] Date dictated 2/13/75
[redacted] PCL:iss

PX 156-13
PCL:lss

2

#4 question: The identity and address of the party who contacted them to arrange the sale or the loan?

A real estate man in San Diego, California; all of the handling was done by telephone. [] advised they cannot recall the name of the real estate company or the real estate agent that they dealt with.

#5 question: Whether or not the loan or note was current as of December 29, 1971?

Yes it was current.

#6 question: The amount due on the note as of December 29, 1971 (both principal and interest)?

(See attached sheet furnished by [] which reflects payments both principal and interest from January 25, 1970 to July 25, 1974 on questioned property)

#7 question: Details of any foreclosures or defaults filed by them against the property?

[] advised that concerning the last four payments that he had to initiate foreclosure proceedings by writing to TIT to one [] who in turn directed a letter to MURRIETTA HOTSPRINGS that action would be brought against them if they did not immediately submit their payments. [] advised that he had to do this on each one of the last four payments but that foreclosure was never completed as they always came through with the payment.

#8 question: Identity and address of the party making the payments on the loan or note?

[] advised he never knew the name of the party that made the payments and only suspected that it was probably MURRIETTA HOTSPRINGS, as he received a copy from TIT, namely [] when they would initiate foreclosure proceedings on each one of the last four payments.

PX 156-13

PCL:lss

3

#9 question: The current status of their deed of trust?

The deed is no longer outstanding and they received their last payment on November 20, 1974, which was a "balloon" payment, which was \$26,269.39.

#10 question: Their knowledge of the involvement of MORRIS SHENKER in any of the above transactions?

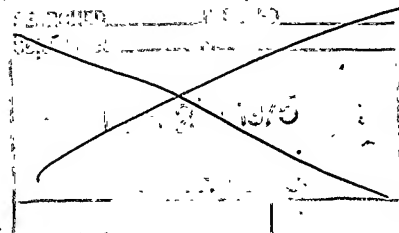
[redacted] advised that they did not know this individual by name and had no knowledge whatsoever of his complicity in any of their transactions concerning this property.

Amortization schedule of the payments covering the ^{4/14/73} \$147.20 trust deed note.

Six months after the close of escrow the following payment will be due semi annually,
payment of \$2,307.35 on the principal plus interest at 7% on the unpaid balance,

Payment schedule follows:

DATE	PRINCIPAL PAYMENT	PLUS INTEREST	TOTAL AMOUNT DUE
------	-------------------	---------------	------------------



F B I

Date: 2/18/75

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: SAC, ST. LOUIS (156-20)
FROM: SAC, PHOENIX (156-13) (RUC)
SUBJECT: MORRIS A. SHENKER, aka;
ET AL
WPPDA; PERJURY; OOJ;
FBW; CONSPIRACY

OO: ST. LOUIS

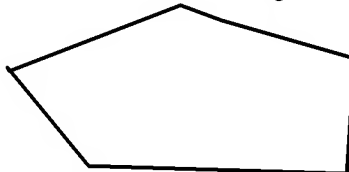
ReSLairtel to Houston, 1/28/75.

Enclosed are two copies of an FD-302 reflecting
interview with Show Low, Arizona.

2 - St. Louis (Encs. 2) *pm*
1 - Phoenix

PCL:lss
(3)

156-20-298
J *mcg*



(Signature)

Approved: *(Signature)*
Special Agent in Charge

Sent _____ M Per _____

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/18/75

[redacted] Argonaut Insurance Company, 250 Middlefield Road, telephone number [redacted] advised that "write-overs" per se are not illegal. The illegality would depend on the circumstances surrounding what is being done.

His main work while [redacted] was primarily related to unpaid bills on mechanics liens.

"Write-overs" are not looked at from the rebate standpoint. His opinion is that "write-overs" are not unlawful rebates.

There is no California law making "write-overs" illegal. Companies, however, are not licensed to do "write-overs" and cannot be so licensed.

"Write-overs" are considered more of a fraud or civil matter depending on circumstances rather than a criminal act.

Interviewed on 2/18/75 at [redacted] File # SP 156-43

by SA [redacted] /clb Date dictated 2/18/75

F B I

Date: 2/18/75

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIRMAIL
(Priority)

clb

TO: SAC, ST. LOUIS (156-20)

FROM: SAC, SAN FRANCISCO (156-43) (RUC)

SUBJECT: MORRIS A. SHENKER, aka;
IRVIN JULIUS KAHN - DECEASED;
Pipefitters
Union Local 562,
Welfare and Pension Funds,
St. Louis, Missouri;

[REDACTED]

WPPDA;
PERJURY;
OOJ;
FBW;
CONSPIRACY;
OO: ST LOUIS

Re St. Louis airtel to Houston dated 1/28/75.

Enclosed for the St. Louis Division are three
copies of an FD 302 reflecting results of interview of
[REDACTED] on 2/18/75.

② - St. Louis (Enc. 3) *pm*
1 - San Francisco
JGH/clb
(3)

156-20 - 300
mg

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

2/19/75

AIRTEL

AIRMAIL

TO: SAC, HOUSTON (156-30)
FROM: SAC, ST. LOUIS (156-20) (P)
SUBJECT: MORRIS A. SHENKER, aka;
ET AL;
WPPDA; PERJURY; COJ;
FBW; CONSPIRACY
(OO: St. Louis)

Re Houston nitel to St. Louis, 2/13/75.

Enclosed for Houston are an original and one copy of a Federal Grand Jury Subpoena Duces Tecum as requested in referenced nitel.

St. Louis Strike Force Attorneys advised that a [redacted] need not appear in St. Louis pursuant to subpoena if they will allow a Bureau Agent to review the subpoenaed records to obtain the information requested in St. Louis airtel to Houston dated 1/28/75. They should be advised, however, that production of [redacted] may be desired at a later date and they should retain possession of same until advised to the contrary.

LEADS:

HOUSTON DIVISION

AT GALVESTON, TEXAS

Will serve enclosed subpoena and thereafter obtain requested information relating to captioned subject.

2-Houston (Enc. 2) (RM)

2-St. Louis

TRP:dmn

(4) dmn

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156-20-301

VB

ry

Nevada Panel Favors License For Shenker

By ROY MALONE
Of the Post-Dispatch Staff

CARSON CITY, Nev., Feb. 20 — The Nevada Gaming Control Board yesterday recommended approval of Morris A. Shenker's application for a gaming license to operate the Dunes Hotel and Casino.

The board, in a unanimous decision, said the lawyer-businessman from St. Louis had adequately answered all its allegations of improper dealings and that the record compiled in three months of hearings did not support a finding of unsuitability.

But the board imposed one restriction on Shenker: It made him agree not to use profits of the Dunes for any other businesses or companies in which he has an interest.

Last month, Shenker withdrew an accompanying request for approval to obtain full control of the Dunes parent firm, Continental Connector Corp., through an offer to acquire all shares of the publicly traded firm. The board had questioned the propriety of the move and Shenker's intention to turn Continental Connector, of which he owned 38 per cent, into a privately held corporation.

The vote by the board was 3 to 0. Next Thursday the five-member Nevada Gaming Commission will review the case for final decision. It would take a simple majority for the commission to decide contrary to the board's affirmative recommendation. In most cases, the commission accepts board recommendations.

However, the board's agreement with Shenker excludes the joint venture agreement of last June in which Continental Connector set up a subsidiary to buy property from Shenker's Murietta Hot Springs, a southern California resort and land development which has lost

more than \$5,000,000 over the last four years.

The Dunes is Continental Connector's most profitable subsidiary and Shenker plans to expand it through a \$40,000,000 loan from the Teamsters Union pension fund.

The action by the board was a reversal of the tough stand it took last Nov. 13 when it said that it found Shenker to have a preponderantly negative public image and that gaming agents found a pattern of questionable business dealings and personal associations.

"We were overwhelmed with positive evidence," Philip P. Hannifin, board chairman, told reporters after the decision was announced.

Another board member, Shannon Bybee Jr., said that, although the hearing record did not support a vote for denial, "I still am not sure that the record offers a complete and accurate picture of Morris Shenker."

"Mr. Shenker's negative public image gives me some concern because, even though it may not be justified, it may still cause Nevada harm." He said that legalized gambling, Nevada's primary industry, has been associated in the public mind with gangsterism and that this could hurt the progress of the industry through restricted financing.

Bybee said that although Shenker "does not enjoy an unblemished public reputation" the state could also be damaged by refusing a license to him "if we were to deny on the vagaries of imagery, unsupported by evidence."

Grant Sawyer, a lawyer and former Democratic governor of Nevada who was hired to represent the Dunes, made a long closing argument for Shenker. Although admitting he did not know Shenker for long, he said he thought the testimony by the many

(Indicate page, name of newspaper, city and state.)

Date:

Edition:

Author:

Editor:

Title: MORRIS A. SHENKER
RICO

Character:

or

Classification: SL 183-37

Submitting Office:

☐ Being Investigated

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156-20-302
SEARCHED INDEXED
FILED

character witnesses that Shenker produced showed "the image of the applicant to be the brightest of any who have come before the board."

The board had questioned Shenker's associations with persons of notorious and unsavory reputations. Sawyer noted that none of the persons named was in the board's "black book" of persons not allowed in casinos and, except for these persons, "there are no standards upon which anyone can determine whether a person is indeed undesirable."

An allegation that three firms in California and Nevada in which Shenker had an interest were involved in a "check kiting" scheme (using one check to cover another) to circumvent provisions of a Teamsters loan was countered by Shenker's saying that his partner, the late Irvin J. Kahn, had handled the transactions.

Hannifin said that he talked with a Teamsters Pension fund officer but that the official did not voice any objection to the way the loan money was shuttled between Penasquitos Corp., Horizons West, Inc., and Murietta Hot Springs.

Although Shenker denied knowledge of the transactions, Bybee said of him: "It's like Nixon; it's hard to believe he did not know what was going on."

Shenker was questioned on why he bought a new car in 1947 for Oscar B. Iden, federal chief tax auditor who had worked on a case involving two of Shenker's clients that never was prosecuted. Shenker produced as a witness George Crowley, a former federal revenue prosecutor who said it was his decision not to prosecute.

Shenker said he had bought the car for himself, but didn't like it and sold it to Iden when Iden was passing through St. Louis. The board said Crowley's testimony answered its allegation that the car might have been in consideration for the decision not to prosecute.

On another matter, the board members said they were not satisfied with Shenker's explanation of why he lent \$3750 to the late Herbert Freer in 1947 and 1948, when Freer was first assistant United States Attorney in St. Louis.

Testimony disclosed that Freer twice turned down requests by postal authorities for prosecution of gambling operator Charles J. Rich, a former client of Shenker's. The charge against Rich was subsequently filed in East St. Louis but was dismissed by a federal judge there.

Applicants before the gaming board must pay for the cost of investigations. The bill involving Shenker came to \$152,000, which the Dunes is paying, Hannifin said.

Officials said the total cost for Shenker to obtain the license would probably be more than \$500,000, including attorneys' fees, special audits Shenker had made and transportation costs for witnesses.

(Mount Clipping in Space Below)

Shenker called in U.S. inquiry into Webbe dealings

By ROBERT H. TEUSCHER and
MICHAEL MONTGOMERY
Globe-Democrat Staff Writers

Complex financial dealings among St. Louis attorney Sorkis J. Webbe and three persons being investigated for alleged security violations and bank frauds are under scrutiny here by a federal grand jury which has called attorney Morris A. Shenker as a witness, The Globe-Democrat has learned.

Reached at the Dunes Hotel and Casino in Las Vegas Monday, Shenker said, "I do not know what, if anything, the (Organized Crime Strike Force) grand jury is investigating. My life is and has been an open book for many, many years," he said.

"I've just gone through an intensive, searching investigation by the (Nevada) gaming board where all the facts of my life were laid open at public hearings," Shenker said.

HE ADDED, "I'm confident that nothing in my life reflects adversely on me. I have nothing to fear from any investigation."

Webbe made a similar denial.

"I know of no impropriety that I have performed in any of my business or professional dealings," he said.

A strike force spokesman declined comment on the grand jury investigation.

IN ADDITION to Shenker and Webbe, both of whom are powerful Democratic figures, those who have appeared before the grand jury recently include:

Ivan A. Ezrine, a former New York lawyer who was convicted of a felony in connection with securities transactions and who is currently under indictment in Pennsylvania in connection with an alleged fraud involving small businesses.

Samuel Ray Calabrese, of Los Angeles and Las Vegas, who in under federal indictment in Kentucky for an alleged

(Indicate page, name of newspaper, city and state.)

Pg. 3A, St. Louis
GLOBE-DEMOCRAT,
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Edition:

Author:

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Title: MORRIS A SHENKER
RICO

Character:

or

Classification: SL 183-37

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bank fraud scheme involving \$1.1 million. According to West Coast authorities, Calabrese is an associate of New York Mafia figures.

Jack Catain Jr., a West Coast financier who has been charged with securities violations by the Securities and Exchange Commission. Catain consented to an injunction in the case without admitting guilt, according to federal documents.

OVER THE years these three men have been involved with one another and Shenker, Webbe and Edward A. White, a securities dealer who was fined by the New York Stock Exchange for securities irregularities, public records show.

Some transactions which are under investigation by the grand jury include:

Catain, Calabrese, Shenker, Webbe and, to a limited degree, White were involved in the purchase of Color Vision Studios, Inc., a Los Angeles film producing and distributing company in the late 1960s, federal documents state.

Color Vision, which eventually wound up in bankruptcy proceedings in April, 1969, figured in two investigations by federal authorities — an SEC complaint against Catain and the indictment of Calabrese in Kentucky.

Calabrese was the principal stockholder and Catain was a 25 per cent shareholder in Color Vision, according to federal documents.

IN JUNE, 1968, Shenker and Webbe headed a St. Louis investment group which paid Catain \$75,000 for part of his interests in Color Vision, the SEC complaint stated.

They were to purchase his entire interest for \$475,000 but the deal fell through when a corporation headed by Catain failed to buy a Las Vegas casino, according to SEC documents.

An agreement apparently made in connection with the proposed acquisition by the St. Louis group would have

given Calabrese and Webbe control of Color Vision, with Shenker to act as arbiter in case they could not agree, a copy of the agreement obtained by The Globe-Democrat states.

White was named as Webbe's successor in the event Webbe could not act as trustee.

Color Vision benefited from allegedly fraudulent loans obtained by Calabrese from two Kentucky banks, according to a federal indictment.

CALABRESE was tried on the charges in 1973, but the jury could not reach a verdict. Charges are pending and no trial date has been set. Ezrine was Calabrese's defense attorney in the Kentucky trial.

Shenker denied he had any business interest in Color Vision. He said his only connection with the company was his position as a guarantor of a \$305,000 loan made to Color Vision by the American National Bank in St. Louis.

"I have never met Ezrine in my life and never had business with him," Shenker said.

"I was never in business with Mr. Calabrese or Mr. Catain. I was guarantor of a loan that was made by Professional Investors (a company Shenker said was operated by White), for which guarantee I was to be paid in stock and a portion of the discount on debentures," he said.

Another transaction involving most of the principals which has not been under grand jury investigation was the purchase of the Aladdin Hotel and Casino in Las Vegas by St. Louis and Las Vegas interests.

THE ALADDIN has since been characterized by investigators as an "R&R" (rest and recreation) center for organized crime figures who are often given complimentary services there.

Webbe is legal counsel for the casino and his brother, Peter, A St. Louis deputy license collector, is a principal stockholder.

When the casino was purchased in 1971, Shenker, Sorkis Webbe, Calabrese and Catain shared a \$500,000 finder's fee, according to Nevada authorities.

A transaction, disclosed by The Globe-Democrat, which also is under investigation involved Ezrine, Shenker, White and Steamfitters Local 562 in the sale and purchase of allegedly fictitious debentures issued by a company in Switzerland.

THE DEBENTURES were sold by White, with Ezrine as attorney, to the Steamfitters who then sold them to B.A.I., Inc., a West Coast corporation in which Shenker had a half interest.

Shenker, White and Webbe also were active in Gryder Motors, a Rolla, Mo., firm which regularly sold cars to top echelon crime and political figures.

One of the owners, Cordial D. (Bucky) Gryder, is under indictment for alleged personal income tax evasion, an indictment which apparently stemmed from the broad grand jury investigation.

Shenker loaned money to Gryder Motors, and White and Webbe served on its board of directors.

(Mount Clipping in Space Below)

Steamfitter, Shenker land deal under study

By ROBERT H. TEUSCHER
and
MICHAEL MONTGOMERY
Globe-Democrat Staff Writers

Local federal authorities are investigating possible statute violations in a West Coast land deal between Steamfitters Local 562 here and a San Diego firm in which St. Louis attorney Morris A. Shenker was a partner. The Globe-Democrat has learned.

The land transaction is under scrutiny by the federal grand jury in case brought by the Organized Crime Strike Force here.

The Steamfitters, which have made several multimillion dollar loans to business interests of Shenker, had specified having first rights to San Diego property posted as collateral by a Shenker firm for a \$6.5 million loan, but were instead given security which was junior to the original mortgage holders, a Steamfitter spokesman said Tuesday.

REACHED in his St. Louis office Tuesday, Shenker said he did not know of the transaction, known as a "write-over" in real estate circles, when it took place in 1971.

"I had nothing to do with the write-over," he said. "I only learned of it after the death of Mr. Kahn (Irvin J. Kahn, Shenker's partner in the firm, died Sept. 10, 1973) when an executive of the title insurance company mentioned it to me," Shenker said.

The insurance company executive testified last month before the Nevada Gaming Commission where Shenker is seeking a casino license that the write-over had been ordered by Kahn and not Shenker.

At the same hearing Shenker produced expert witnesses who testified that the write-over is a common practice and asserted that the title insurance policy protected the Steamfitters against any loss.

HOWEVER, federal authorities are looking into the legality of the transaction in view of federal laws regulating labor unions. The Globe-Democrat has learned.

One source close to the

investigation said, "We're just tying up loose ends right now. The investigation should be concluded about April."

The strike force office declined comment on the investigation.

The Globe-Democrat disclosed Tuesday that the grand jury is investigating the financial dealings of Shenker and Sorkis J. Webbe, a St. Louis attorney and powerful Democratic figure, with men who have been charged by other federal agencies.

WEBBE HAS denied any impropriety in his business or professional dealings.

Recently key figures besides Shenker and Webbe have appeared before the grand jury. They are:

Samuel Ray Calabrese, of Las Vegas and Los Angeles, currently under federal indictment for alleged bank fraud in Kentucky.

Jack Catain Jr., named with Calabrese in a Securities and Exchange Commission (SEC) complaint for irregularities involving a West Coast film studio. Catain later

(Indicate page, name of newspaper, city and state.)

Pg. 3A, St. Louis
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Date: 2/26/75
Edition:
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RICO

Character:
or
Classification: SL 183-37
Submitting Office: b6
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FEB 27 1975

consented to an injunction in the case without admitting guilt.

EDWARD A. WHITE, a former St. Louis stock broker who lost his SEC license after becoming involved with the sale of allegedly fraudulent debentures issued by a company in Switzerland.

Ivan A. Ezrine, a former New York attorney, convicted of one felony and presently awaiting trial on federal charges of organized racketeering. Ezrine has represented White and Calabrese.

Shenker denied any association with Ezrine and has said he has not been in business with Calabrese and Catain.

Another key figure who has appeared before the grand jury is **Harry Craig**, an attorney for the Steamfitters.

The \$6.5 million loan from the Steamfitters Pension Fund was made Dec. 28, 1971, to B.A.I., Inc., a San Diego corporation which owns bowling alleys and other properties, according to California records. The firm was owned jointly at the time by Shenker

and Kahn, records show.

~~TO PROTECT~~ its loan, the Steamfitters required a title insurance policy giving them priority over other persons who already held mortgages on property posted as collateral.

To comply with the request, B.A.I. directed the title insurance company to use \$3 million of the loan to pay off the other mortgage holders, thereby giving the Steamfitters first rights to the property in the event of default, Nevada investigators said.

However, B.A.I.'s directions to the insurance company were later changed and the company was told not to pay off other mortgage holders which, in effect, reduced the rights of the Steamfitters, investigators said.

The Steamfitters were not aware of this transaction and thought they had first rights, Craig said Tuesday.

Craig added that there was no possibility of loss to the pension fund because the titles have been insured for their full value by the largest firm in California.

THERE IS a strong possibility, however, according to federal sources, that Shenker and others may have violated federal law by not disclosing the write-over to the federally regulated union.

The Steamfitters have been involved in other aspects of the grand jury investigation, including the purchase of allegedly fictitious debentures and their resale to Shenker, sources said.

Shenker corporations have benefitted from other Steamfitter loans.

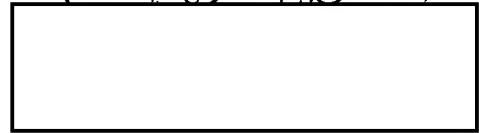
On Oct. 7, 1970, the Steamfitters loaned \$4.5 million to Murietta Hot Springs, a resort in Southern California of which Shenker's wife is president, records show.

According to records in San Diego, the Steamfitters loaned an additional \$2.5 million to Murietta Jan. 14, 1971.

One person close to the investigation commented, "What's ironic about the write-over is that the Steamfitters are in the middle. Shenker's their long-time pal, they put up the money and he handed them a bad deal."

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 2/21/75

[redacted] was interviewed at her residence of [redacted] California, telephone number [redacted] in connection with certain property in which she was involved in San Diego, California. [redacted] then furnished the following information regarding this property:

She and her late husband on November 18, 1943, purchased 160 acres of land in the City of San Diego, California, for a total price of \$500.00. She later sold 120 acres of this property in 1969. This property was sold under holding agreement number 90 (HA) on July 21, 1969. The property referred to is officially described as [redacted]

[redacted]

The 120 acres was sold for a total price of \$450,000.00, a down payment of \$75,000.00 was made, leaving a balance of \$375,000.00 at seven percent annual interest with payments to be made semi-annually.

Having a sizable piece of property in the City of San Diego resulted in numerous individuals contacting [redacted] at various times making requests to purchase all or part of the property. However, in 1969, the individual who contacted them to arrange for this particular sale was one [redacted] of the Stierer Investment Realty Company located in Suite 1355 of the First National Bank building, San Diego, California. [redacted] was never told by [redacted] who the property was being purchased for.

In connection with the payments being current as of December 29, 1971, [redacted] advised that payments were almost always a little late and attempts for foreclosure have been made on three occasions, but proceedings were later dropped when payments were made. She noted that the payments were current as of December 29, 1971

Interviewed on 2/20/75 [redacted] California # Los Angeles, 156-76
by SA [redacted] /ckh Date dictated 2/21/75

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LA 156-76

In regards to the amount due on the note as of December 29, 1971, she advised that as of the previous payment dated in July 1971, that the principle due was \$345,210.31, plus the accrued interest of seven percent per annum as of July 1971.

In connection with the foreclosures filed by [redacted] she advised that she did not have readily available the pertinent information, however, this could be obtained through her son [redacted] who resides at [redacted]

As for the identity and address of the party making the payments on the loan, [redacted] advised that payments initially were made by Title Insurance and Trust Company, San Diego, California, while later payments were received from a concern known as BAI Incorporated, 110 West C Street, Suite 1600, San Diego, California, 92101. In connection with BAI, they usually attempted to deal with [redacted] or [redacted] who [redacted] thought were accountants for the firm. She did not have any ideas that the change over was made from Title Insurance to BAI Incorporated.

The current balance on the loan in connection with this property is a principle of \$294,329.49, plus seven percent annual interest from January 24, 1975. She noted that the January 24, 1975, payment has not been received and a foreclosure action is being taken in this regard.

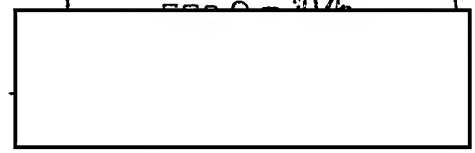
[redacted] has on several occasions called BAI in San Diego, California, to talk to [redacted] or [redacted] with little results in connection with the tardiness of the payments and on one occasion her son, [redacted] called BAI and was put on the telephone with one MORRIS A. SHENKER who was identified to her son as BAI's attorney from St. Louis. SHENKER has never been mentioned in any of the correspondence received from BAI.

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 2/21/75

[redacted] was contacted at the residence [redacted] California, and was interviewed in connection with property having been owned by his mother in San Diego, California. [redacted] advised that on one occasion he had telephonically contacted a company known as BAI Incorporated in San Diego, California, because of payments on the property, which had been previously sold, being late. His mother had made several attempts to contact accountants with BAI and on this particular occasion was told by a secretary to whom he was speaking that BAI's attorney from St. Louis was "walking through the office," and therefore MORRIS A. SHENKER was put on the telephone with [redacted] then talked with SHENKER for a few minutes basically about payments, however, this is the only discussion that he ever had with SHENKER and his discussion was very brief.

[redacted] advised that in connection with foreclosure initiated against the company, he noted that the first foreclosure was filed on May 14, 1973, in San Diego, because a payment was not made, however, payment was received on August 10, 1973, through a cashier's check, which he was not able to further describe.

The second foreclosure was filed on August 23, 1974, when the July 24, 1974, payment was not received. This foreclosure proceeding was clarified when payment was received on November 21, 1974, by a cashier's check dated November 20, 1974. This cashier's check was drawn on the Security Pacific National Bank, office number 90-2002, and had a cashier's check number 057-22312.

In regards to the third foreclosure action, [redacted] advised that the January 24, 1975, payment had not been received and therefore, foreclosure action is now being pursued against BAI.

[redacted] further advised that payments were initially received from Title Insurance in San Diego,

Interviewed on 2/20/75 at [redacted] California File # Los Angeles, 156-76
by SA [redacted] /ckh Date dictated 2/21/75

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LA 156-76

California, however, checks were later received from BAI, although he could not determine the exact date when BAI started making the payments and he thought it odd that his mother had never received any paper work noting a change over from Title Insurance to BAI.

F B I

Date: 2/21/75

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL
(Priority)

TO: SAC, ST. LOUIS (156-20)

FROM: SAC, LOS ANGELES (156-76) (P)

RE: MORRIS A. SHENKER, aka;
IRVIN JULIUS KAHN - DECEASED;
PIPE FITTERS UNION, LOCAL 562,
WELFARE AND PENSION FUNDS,
ST. LOUIS, MISSOURI;
[REDACTED]
WPPDA; PERJURY; OOF;
FBW; CONSPIRACY
OO: St. Louis

Re St. Louis airtel dated 1/28/75.

Enclosed for St. Louis are two copies each of two FD-302s reflecting results of interviews with [REDACTED] owner of property noted as parcel number three, and interview with [REDACTED] who is a [REDACTED] California.

2 - St. Louis (Enc. 4) *met*
2 - Los Angeles

SWM/ckh
(4)

- 1* -

156-20-307

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SERIALIZED	FILED

[Handwritten initials]

Approved: _____ Sent _____ M Per _____
Special Agent in Charge